



Finch Business Tech Pulse

July 2024 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

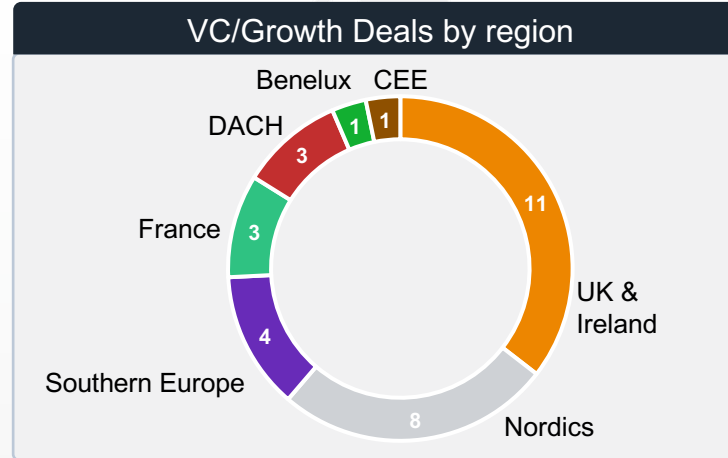
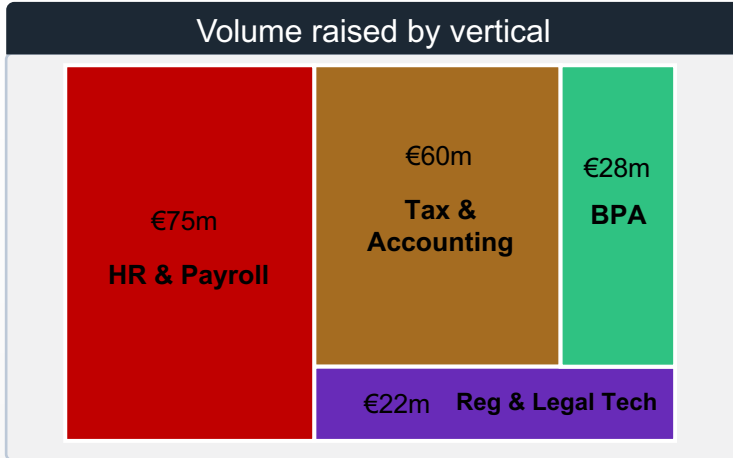
- Financial management software & FPA
- Tax prep, management and compliance
- AP/AR
- Revenue & spend management
- Shareholder/board planning
- Audit
- Treasury

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
AccountsIQ		Tax & Accounting	€60m
TECHWOLF		HR & Payroll	€39.5m
job&talent		HR & Payroll	€18m

Public Comps by vertical

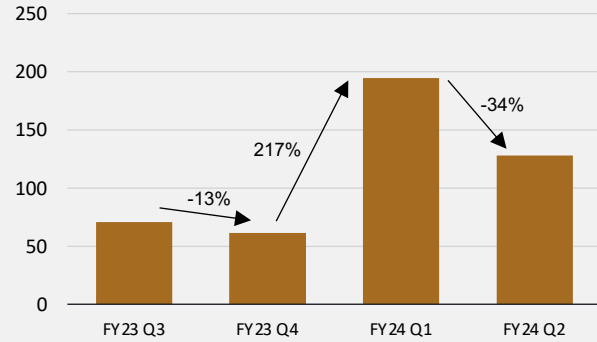
Vertical	EV/Revenue	EV/EBITDA
HR & Payroll	Q2 23: 8.19x Q2 24: 5.17x	Q2 23: 44.76x Q2 24: 19.42x
Business Process Automation	Q2 23: 7.48x Q2 24: 7.82x	Q2 23: 35.12x Q2 24: 43.60x
Reg & Legal Tech	Q2 23: 5.54x Q2 24: 6.33x	Q2 23: 22.08x Q2 24: 22.56x
Tax & Accounting	Q2 23: 5.79x Q2 24: 7.03x	Q2 23: 30.74x Q2 24: 38.90x

Notable Exits

Acquirer	Acquiree	HQ	Vertical
GRUPE SNEF	visiativ		BPA
MAGUAR	shyftplan		HR & Payroll
eurazeo pme MARLIN EQUITY PARTNERS	rydoo		Tax & Accounting

- ### June Highlights
- AI features heavily across Business Technology deals as we see a **mini hype cycle around gen AI** continue
 - Legal-tech** startups starting to cut through the hype and gain more traction as lawyers look for a “co-pilot” and as European investors look to the success stories in the US (**Harvey AI, Clio**, etc.)

Growth/VC Funding (€m)



Notable Growth/VC deals in June 24

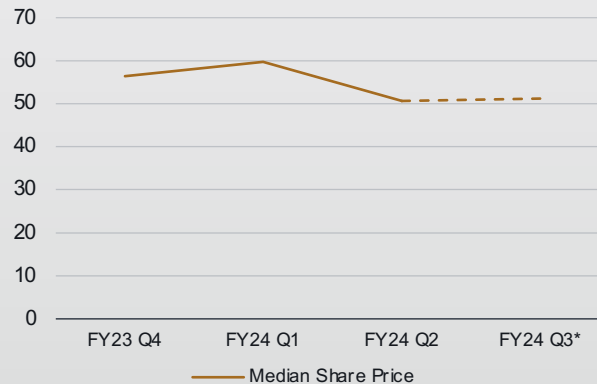
Company	Country HQ	Summary	Round Size	Round stage	Lead Investor
AccountsIQ		Accounting software	€60m	Growth	Axiom Equity
mika		AI-based Accounting platform	€0.8m	Seed	Dutch Founders Fund, Keen Venture Partners

Notable Exits in June 24

Acquirer	Acquiree	Country HQ	Transaction Size	EV/Revenue	EV/EBITDA
comet software	Silicon DNA		€0-20m*	n/a	n/a
eurazeo pme	rydoo		€0-20m (LBO)*	n/a	n/a
MARLIN EQUITY PARTNERS	MAVEN My Digital		€0-20m*	n/a	n/a

* Estimates.

Public Market Index



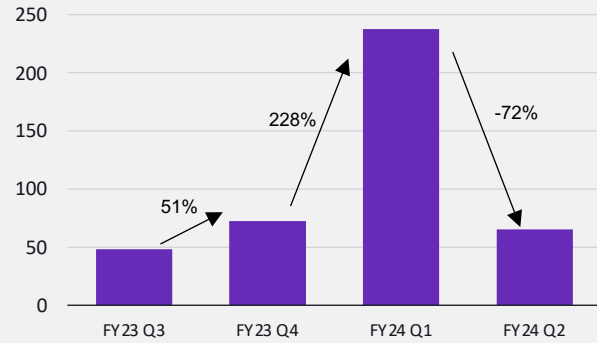
*Share price to date.

Comps Table

Companies	EV/Revenue				EV/EBITDA				KPIs – FY24 Q3**		
	FY24 Q3**	FY24 Q2	FY24 Q1	FY23 Q4	FY24 Q3**	FY24 Q2	FY24 Q1	FY23 Q4	Rev YoY growth	EBITDA margin	Rule of 40
BlackLine	1.34x	1.55x	2.51x	2.31x	n/a	n/a	n/a	n/a	5%	-25.34%	-20%
Clearwater Analytics	6.89x	6.64x	7.38x	7.06x	22.76x	22.08x	24.62x	23.89x	6%	30%	36%
H&R Block	6.21x	6.52x	6.29x	5.88x	18.34x	19.25x	19.06x	17.80x	7%	34%	41%
Intuit	2.90x	2.51x	3.03x	2.83x	25.66x	22.27x	n/a	n/a	12%	11%	23%
Sage Group	6.00x	6.15x	6.00x	6.76x	n/a	n/a	n/a	n/a	24%	-6%	18%
Vertex	1.48x	2.03x	3.47x	2.96x	17.01x	23.39x	34.87x	42.52x	6%	9%	15%
Wolters Kluwer	13.75x	13.13x	13.04x	13.42x	30.27x	28.90x	30.14x	31.66x	15%	45%	60%
Xero	7.40x	7.19x	7.68x	6.34x	23.51x	22.84x	24.76x	20.99x	0%	31%	31%
Median	6.11	6.33	6.15	6.11	23.14	22.56	24.76	23.89	7%	21%	27%

**Q3 to date.

Growth/VC Funding (€m)



*Most recent monthly figures used for quarterly estimates.

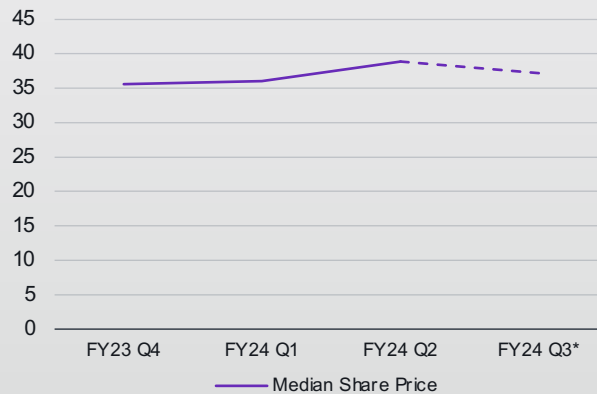
Notable Growth/VC deals in June 24

Company	Country HQ	Summary	Round Size	Round stage	Lead Investor
deepjudge		Legal document processing platform	€10.6m	Seed	Coatue Management
Wordsmith.ai		Legal operations management platform	€4.6m	Seed	Index Ventures
ohalo		Online data compliance platform	€3.2m	Venture	YFM Equity Partners

Notable Exits in June 24

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

Public Market Index



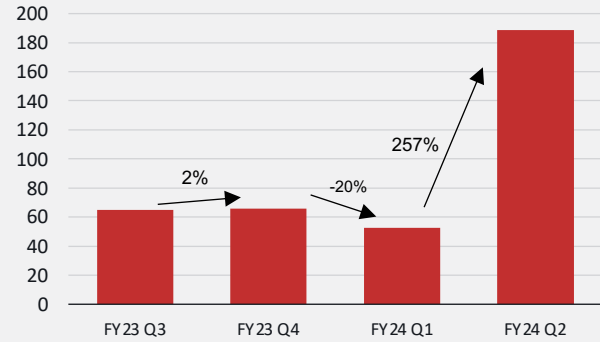
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	FY24 Q3**	FY24 Q2	FY24 Q1	FY23 Q4	FY24 Q3**	FY24 Q2	FY24 Q1	FY23 Q4	Rev YoY growth	EBITDA margin	Rule of 40
DISCO	1.34x	1.55x	2.51x	2.31x	n/a	n/a	n/a	n/a	5%	-25.34%	-20%
Equifax	6.89x	6.64x	7.38x	7.06x	22.76x	22.08x	24.62x	23.89x	6%	30%	36%
Experian	6.21x	6.52x	6.29x	5.88x	18.34x	19.25x	19.06x	17.80x	7%	34%	41%
FiscalNote Holdings	2.90x	2.51x	3.03x	2.83x	25.66x	22.27x	n/a	n/a	12%	11%	23%
IntApp	6.00x	6.15x	6.00x	6.76x	n/a	n/a	n/a	n/a	24%	-6%	18%
LegalZoom	1.48x	2.03x	3.47x	2.96x	17.01x	23.39x	34.87x	42.52x	6%	9%	15%
Moody's	13.75x	13.13x	13.04x	13.42x	30.27x	28.90x	30.14x	31.66x	15%	45%	60%
Nasdaq	7.40x	7.19x	7.68x	6.34x	23.51x	22.84x	24.76x	20.99x	0%	31%	31%
Median	6.11	6.33	6.15	6.11	23.14	22.56	24.76	23.89	7%	21%	27%

**Q3 to date.

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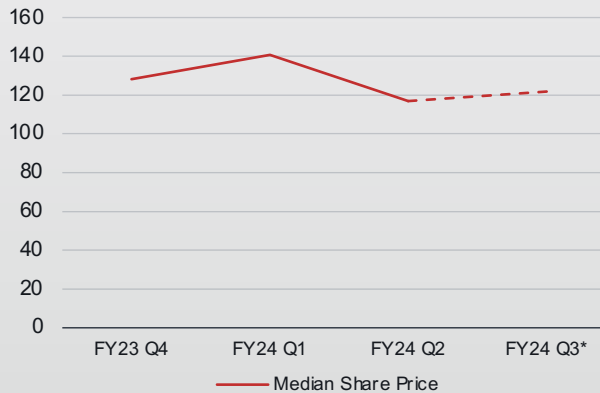
Company	Country HQ	Summary	Round Size	Round stage	Lead Investor
TECHWOLF		Talent intelligence software	€39.5m	Growth	Felix Capital, SAP, ServiceNow
job&talent		Workforce marketplace	€18m	Growth	Atomico, SEEK Invest, SoftBank
mercateam		Staff management platform	€5m	Venture	ISAI

Notable Exits in June 24

Acquirer	Acquiree	Country HQ	Transaction Size	EV/Revenue	EV/EBITDA
			€30m (LBO)	n/a	n/a
			€7.3m	n/a	n/a

* Estimates.

Public Market Index



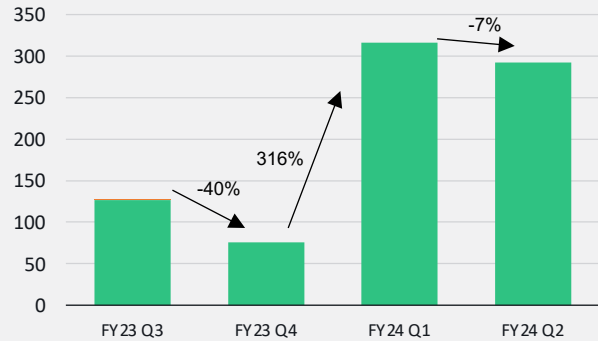
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Automatic Data Processing	5.35x	5.17x	5.61x	5.36x	18.40x	17.78x	19.63x	18.84x	7%	29%	36%
Paychex	8.25x	7.96x	8.47x	8.21x	18.34x	17.56x	19.12x	18.54x	5%	45%	50%
Paycom	5.06x	4.56x	6.66x	7.04x	12.26x	11.05x	19.17x	19.61x	18%	41%	59%
Paycor HCM	3.50x	3.47x	5.65x	6.57x	31.59x	31.31x	64.38x	81.71x	20%	11%	31%
Paylocity	5.64x	5.17x	7.25x	7.28x	22.94x	21.06x	31.38x	34.73x	24%	25%	48%
TriNet Group	1.26x	1.18x	1.52x	1.41x	12.63x	11.83x	13.61x	12.89x	1%	10%	11%
Workday	7.47x	7.34x	9.30x	9.88x	104.35x	102.42x	149.76x	235.38x	17%	7%	24%
Dayforce	5.89x	5.51x	7.25x	7.73x	32.48x	30.41x	41.47x	55.35x	19%	18%	37%
Median	5.49	5.17	6.95	7.16	20.67	19.42	25.51	27.17	18%	21%	37%

**Q3 to date.

Growth/VC Funding (€m)



*Most recent monthly figures used for quarterly estimates.

Notable Growth/VC deals in June 24

Company	Country HQ	Summary	Round Size	Round stage	Lead Investor
hailley		HR automation platform	€4.3	Venture	Karl-Johann Persson
kenmei TECHNOLOGIES		Mobile networking automation platform	€4m	Venture	Andorra Telecom
Sloyd		Automation software for 3D digital assets	€3m	Venture	Autodesk, Antler

Notable Exits in June 24

Acquirer	Acquiree	Country HQ	Transaction Size	EV/Revenue	EV/EBITDA
SNEF	visiativ		€170m	n/a	n/a
axi	contractify		€0-20m*	n/a	n/a
Ipsos	datasmoothie		€0-20m*	n/a	n/a

* Estimates

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*Share price to date.

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AppFolio	13.88x	12.89x	13.99x	10.56x	106.08x	98.48x	293.36x	n/a	34%	13%	47%
HubSpot	10.37x	12.82x	14.35x	13.80x	n/a	n/a	n/a	n/a	24%	-4%	20%
Oracle	8.66x	8.80x	8.07x	7.17x	21.90x	22.24x	20.83x	18.75x	6%	40%	46%
Pegasystems	3.50x	3.55x	3.90x	3.20x	46.71x	47.39x	49.92x	n/a	13%	7%	21%
Salesforce	6.57x	6.83x	8.34x	7.53x	22.99x	23.88x	32.61x	33.40x	11%	29%	40%
SAP	6.54x	6.84x	6.67x	5.19x	38.09x	39.80x	29.64x	27.40x	5%	17%	23%
ServiceNow	15.98x	16.75x	17.13x	16.88x	101.51x	106.39x	118.96x	125.49x	24%	16%	40%
UiPath	3.72x	3.99x	8.48x	10.16x	n/a	n/a	n/a	n/a	23%	-8%	15%
Median	7.61	7.82	8.41	8.84	42.40	43.60	41.27	30.40	18%	14%	31%

**Q3 to date.



Amsterdam

London

Dublin