

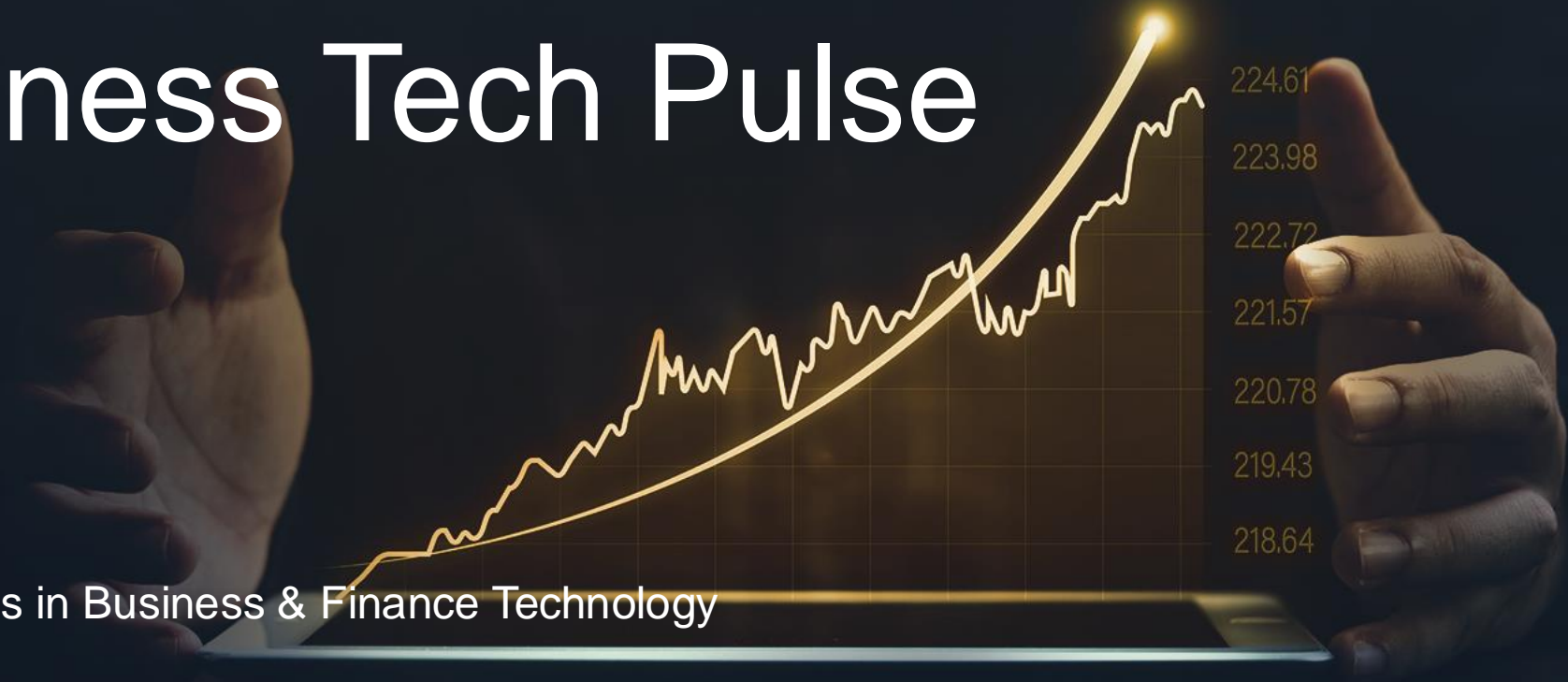


# Finch Business Tech Pulse

November 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

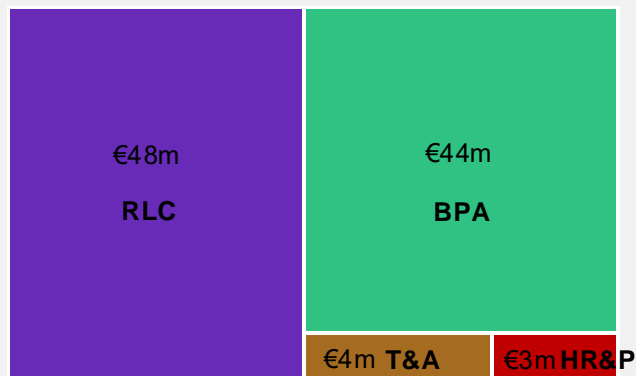
## Regulatory, Legal & Compliance

- 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

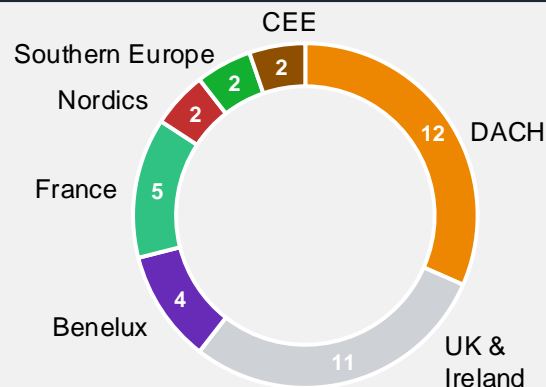
## Business Process Automation

- 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

## Value raised by vertical



## VC/Growth Deals by region



## Notable Fundraises

Company	HQ	Vertical	Round Size
evoluteiq <small>Absolute Automation</small>		Business Process Automation	€18.2m
GENIE AI		Reg & Legal Tech	€16m
Atlas Metrics		Reg & Legal Tech	€12.2m

## Public Comps by vertical

Vertical	EV/Revenue	EV/EBITDA
<b>HR &amp; Payroll</b>		
Q4 23		
Q4 24		
<b>Business Process Automation</b>		
Q4 23		
Q4 24		
<b>Reg &amp; Legal Tech</b>		
Q4 23		
Q4 24		
<b>Tax &amp; Accounting</b>		
Q4 23		
Q4 24		

\*As of 25/11/2024.

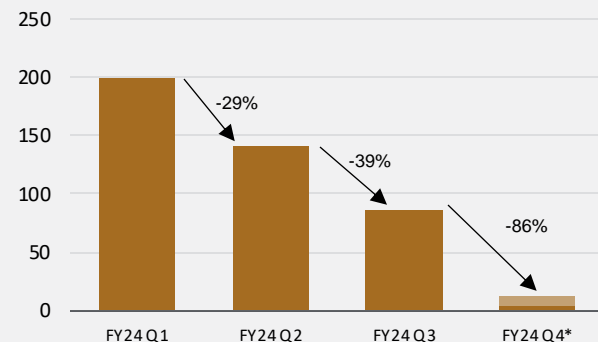
## Notable Exits

Acquirer	Acquiree	HQ	Vertical
eci	CMap		Tax & Accounting
Norvestor	wint		Tax & Accounting
access	HireAra		HR & Payroll

## October Highlights

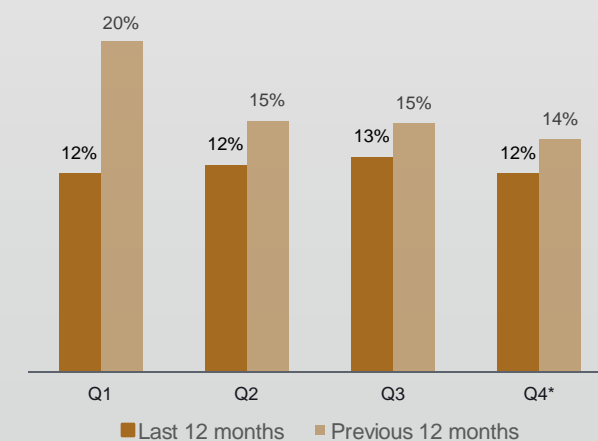
- The **mid-market PE space is active for Tax & Accounting**, whilst the VC/Growth space has been consistently declining for the past year
- After a booming summer season, **HR & payroll showed a significant funding drop this month**; this should be rebalanced as we approach the end of the quarter
- BPA is still riding the wave of AI and automation use cases for early-stage funding**, with emerging leaders such as H Company, CUBE and Pigment having raised in H1
- The **RLC space is healthy** with ESG and Legal AI tools still attracting early-stage funding across Europe

## Growth/VC Funding (€m)









\*Most recent figures used for monthly estimates.

## Median YoY revenue growth rate

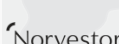










\*Public Comps, as of 25/11/2024

## Notable Growth/VC deals in October 24

Company	Country HQ	Summary	Round Size	Round stage	Lead Investor
		CFO expense and software management platform	€3m	Seed	Primo Ventures, Yabeo, Apside
		Smart accounting platform	n/a	Accelerator /Incubator	QNBeyond
		Supply chain management platform with accounting automation	n/a	Venture	Kaleo Ventures

## Notable Exits in October 24

Acquirer	Acquiree	Country HQ	Transaction Size	EV/Revenue	EV/EBITDA
			€43.98 m (LBO)	n/a	n/a
			€25-50m* (LBO)	n/a	n/a
			€75-100m* (LBO)	n/a	n/a

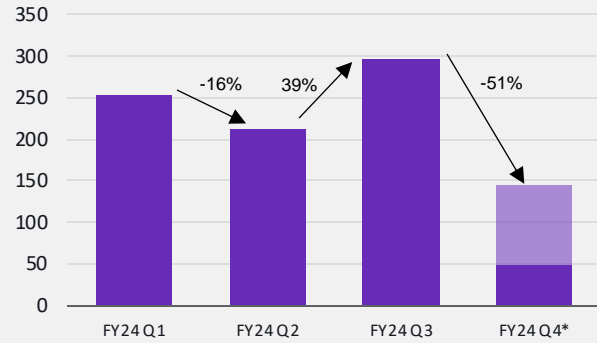
\* Estimates.

## 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	6.28x	5.73x	5.25x	7.16x	24.99x	22.83x	18.90x	27.41x	11%	25%	37%
Clearwater Analytics	16.78x	13.37x	10.10x	10.02x	53.14x	43.41x	33.76x	34.82x	21%	32%	52%
H&R Block	2.62x	2.69x	2.42x	2.64x	9.72x	10.07x	8.50x	9.54x	4%	27%	31%
Intuit	11.01x	10.84x	11.73x	12.39x	27.76x	26.73x	28.70x	30.68x	12%	40%	52%
Sage Group	5.81x	4.91x	5.20x	6.06x	23.47x	18.79x	19.91x	23.94x	7%	28%	35%
Vertex	13.15x	9.72x	9.38x	8.54x	57.98x	44.86x	47.64x	48.50x	17%	23%	40%
Wolters Kluwer	6.96x	6.71x	7.03x	6.67x	21.74x	20.97x	22.13x	20.99x	3%	32%	35%
Xero	14.84x	14.20x	12.93x	14.21x	44.72x	46.20x	42.10x	64.98x	24%	33%	57%
<b>Median</b>	<b>8.99x</b>	<b>8.22x</b>	<b>8.20x</b>	<b>7.85x</b>	<b>26.37x</b>	<b>24.78x</b>	<b>25.42x</b>	<b>29.04x</b>	<b>12%</b>	<b>30%</b>	<b>38%</b>

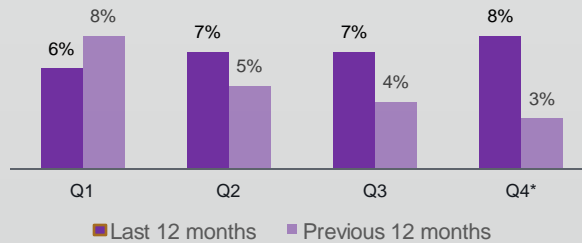
\*As of 25/11/2024.

## Growth/VC Funding (€m)



\*Most recent figures used for monthly estimates.

## Median YoY revenue growth rate



\*Public Comps, as of 25/11/2024

## Notable Growth/VC deals in October 24

Company	Country HQ	Summary	Round Size	Round stage	Lead Investor
GENIE AI		AI legal contract drafting platform	€16m	Venture	Google Ventures, Khosla Ventures
Atlas Metrics		ESG reporting and sustainability management platform	€12.2m	Venture	MMC Ventures, Cherry Ventures, b2venture
Formality		AI solution for managing legal documents	€8m	Venture	Serena, Partech, Bpi France

## Notable Exits in October 24

Acquirer	Acquiree	Country HQ	Transaction Size	EV/Revenue	EV/EBITDA
QUORQ	investory.io		€0-20m*	n/a	n/a
Castelnau	Farewill		€15.41m (LBO)	n/a	n/a
VELOCITY VENTURE CAPITAL	V2 VIRTUAL PRICING DIRECTOR		€0-20m* (LBO)	n/a	n/a

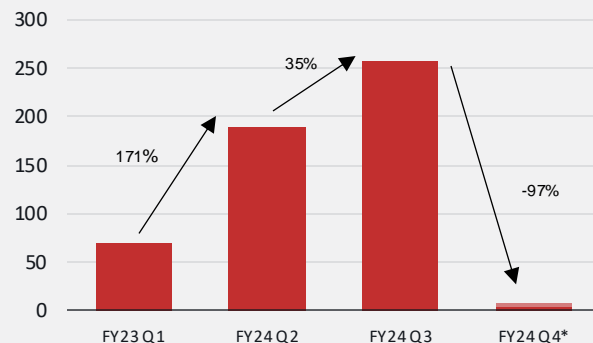
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	FY24 Q4*	FY24 Q3	FY24 Q2	FY24 Q1	FY24 Q4*	FY24 Q3	FY24 Q2	FY24 Q1	Rev YoY growth	EBITDA margin	Rule of 40
DISCO	1,64x	1,60x	1,55x	2,51x	n/a	n/a	n/a	n/a	6%	-11%	-4%
Equifax	6,77x	7,65x	6,64x	7,38x	21,64x	24,13x	20,68x	22,96x	9%	31%	40%
Experian	6,74x	6,92x	6,52x	6,29x	18,45x	19,41x	18,29x	16,41x	7%	37%	44%
FiscalNote Holdings	2,22x	2,43x	2,51x	3,03x	29,50x	46,93x	493,90x	n/a	-4%	8%	4%
IntApp	9,83x	7,86x	6,15x	6,00x	68,36x	65,74x	66,26x	72,65x	20%	14%	34%
LegalZoom	1,86x	1,48x	2,03x	3,47x	9,19x	8,10x	10,90x	19,30x	5%	20%	25%
Moody's	13,69x	13,91x	13,13x	13,04x	26,44x	27,25x	26,42x	26,97x	20%	52%	72%
Nasdaq	8,07x	7,86x	7,19x	7,68x	21,61x	20,75x	19,21x	20,53x	17%	37%	54%
<b>Median</b>	<b>6,75x</b>	<b>7,29x</b>	<b>6,33x</b>	<b>6,15x</b>	<b>21,64x</b>	<b>24,13x</b>	<b>20,68x</b>	<b>21,74x</b>	<b>8%</b>	<b>26%</b>	<b>37%</b>

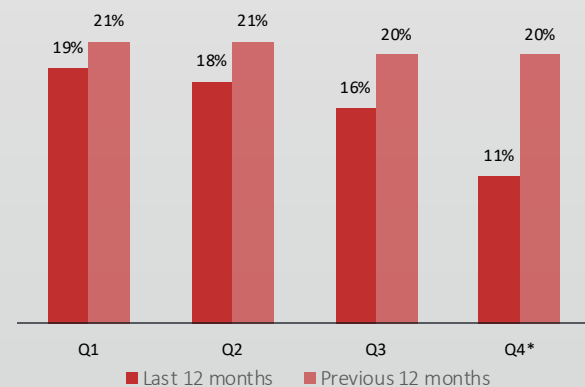
\* As of 25/11/2024.

## Growth/VC Funding (€m)



\*Most recent figures used for monthly estimates.

## Median YoY revenue growth rate



\*Public Comps, as of 25/11/2024

## Notable Growth/VC deals in October 24

Company	Country HQ	Summary	Round Size	Round stage	Lead Investor
stema.		Automated recruiting for STEM	€1.6m	Venture	United Ventures, Octopus Ventures
wrksense		AI-driven recruitment platform	€0.83m	Seed	Enterprise Ireland, Great Stuff Ventures
papayo.ai		AI-platform aiming to transform HR practices	€0.10m	Seed	Antler

## Notable Exits in October 24

Acquirer	Acquiree	Country HQ	Transaction Size	EV/Revenue	EV/EBITDA
access	HireAra		€25-50m* (LBO)	n/a	n/a
talentneur	HRForecast		€50-75m* (LBO)	n/a	n/a
tide	Onfolk		€0-20m*	n/a	n/a

\* Estimates.

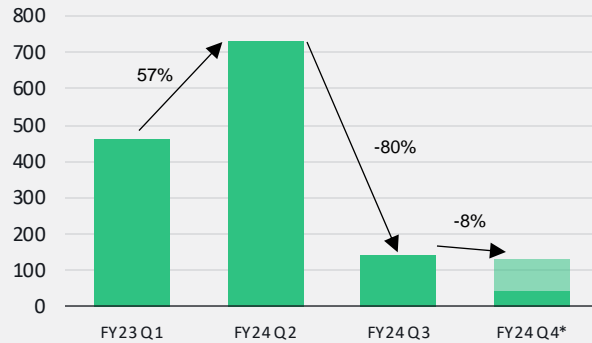
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	FY24 Q4*	FY24 Q3	FY24 Q2	FY24 Q1	FY24 Q4*	FY24 Q3	FY24 Q2	FY24 Q1	Rev YoY growth	EBITDA margin	Rule of 40
Automatic Data Processing	6.85x	6.25x	5.45x	5.90x	25.98x	23.60x	20.63x	22.50x	6%	26%	32%
Paychex	9.67x	9.03x	7.96x	8.47x	21.22x	19.94x	17.60x	18.52x	4%	46%	50%
Paycom	7.15x	5.18x	4.56x	6.66x	17.69x	12.61x	10.90x	15.68x	12%	40%	52%
Paycor HCM	4.50x	3.71x	3.47x	5.65x	18.26x	15.36x	14.82x	25.26x	17%	25%	42%
Paylocity	7.87x	6.29x	5.17x	7.25x	22.34x	17.45x	14.41x	24.98x	9%	35%	44%
TriNet Group	1.09x	1.14x	1.18x	1.52x	9.60x	9.03x	8.89x	10.74x	1%	11%	13%
Workday	8.51x	7.73x	7.34x	9.30x	32.03x	29.07x	27.87x	35.81x	17%	27%	44%
Dayforce	7.86x	6.41x	5.51x	7.25x	28.26x	23.10x	19.96x	26.75x	17%	28%	45%
<b>Median</b>	<b>7.51x</b>	<b>6.27x</b>	<b>5.31x</b>	<b>6.95x</b>	<b>21.78x</b>	<b>18.69x</b>	<b>16.21x</b>	<b>23.74x</b>	<b>11%</b>	<b>27%</b>	<b>44%</b>

\*As of 25/11/2024.

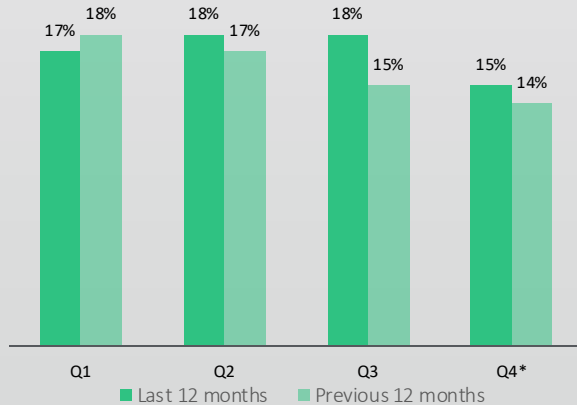


## Growth/VC Funding (€m)



\*Most recent figures used for monthly estimates.

## Median YoY revenue growth rate



\*Public Comps, as of 25/11/2024

## Notable Growth/VC deals in October 24

Company	Country HQ	Summary	Round Size	Round stage	Lead Investor
evoluteiq		AI-automation platform for process automation	€18.2m	Growth	Round2 Capital
diffblue		Automated coding software to avoid coding errors	€5.8m	Growth	Parkwalk Advisors, IP Group
passionfroot		Developer of a creator operating system	€3.45m	Venture	Supernode Global

## Notable Exits in October 24

Acquirer	Acquiree	Country HQ	Transaction Size	EV/Revenue	EV/EBITDA
Sage	FORCEMANAGER		€25-50m*	n/a	n/a
FinQuery Formerly LeaseQuery	DEEPER INSIGHTS		€0-20m*	n/a	n/a
RECHTLE	DriveWorks Configure & Automate		€0-20m*	n/a	n/a

\* Estimates

## 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
AppFolio	11.17x	11.50x	12.89x	13.99x	38.51x	45.92x	60.92x	102.82x	33%	29%	62%
HubSpot	14.83x	11.00x	12.82x	14.35x	76.15x	58.52x	70.85x	79.79x	22%	19%	41%
Oracle	11.28x	10.15x	8.80x	8.07x	22.73x	20.45x	17.96x	16.75x	6%	50%	55%
Pegasystems	5.22x	4.14x	3.55x	3.90x	23.19x	17.61x	16.84x	19.69x	9%	23%	32%
Salesforce	8.93x	7.14x	6.83x	8.34x	20.78x	16.61x	18.15x	21.88x	10%	43%	53%
SAP	7.89x	7.27x	6.84x	6.67x	23.94x	22.43x	21.71x	23.05x	8%	32%	40%
ServiceNow	20.62x	18.18x	16.75x	17.13x	61.37x	54.60x	50.60x	53.07x	23%	34%	57%
UiPath	4.46x	3.89x	3.99x	8.48x	27.14x	23.66x	20.38x	42.38x	20%	17%	37%
<b>Median</b>	<b>10.05x</b>	<b>8.71x</b>	<b>7.82x</b>	<b>8.41x</b>	<b>25.54x</b>	<b>23.04x</b>	<b>21.05x</b>	<b>32.71x</b>	<b>15%</b>	<b>30%</b>	<b>47%</b>

\*As of 25/11/2024.



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Amsterdam

London

Dublin