

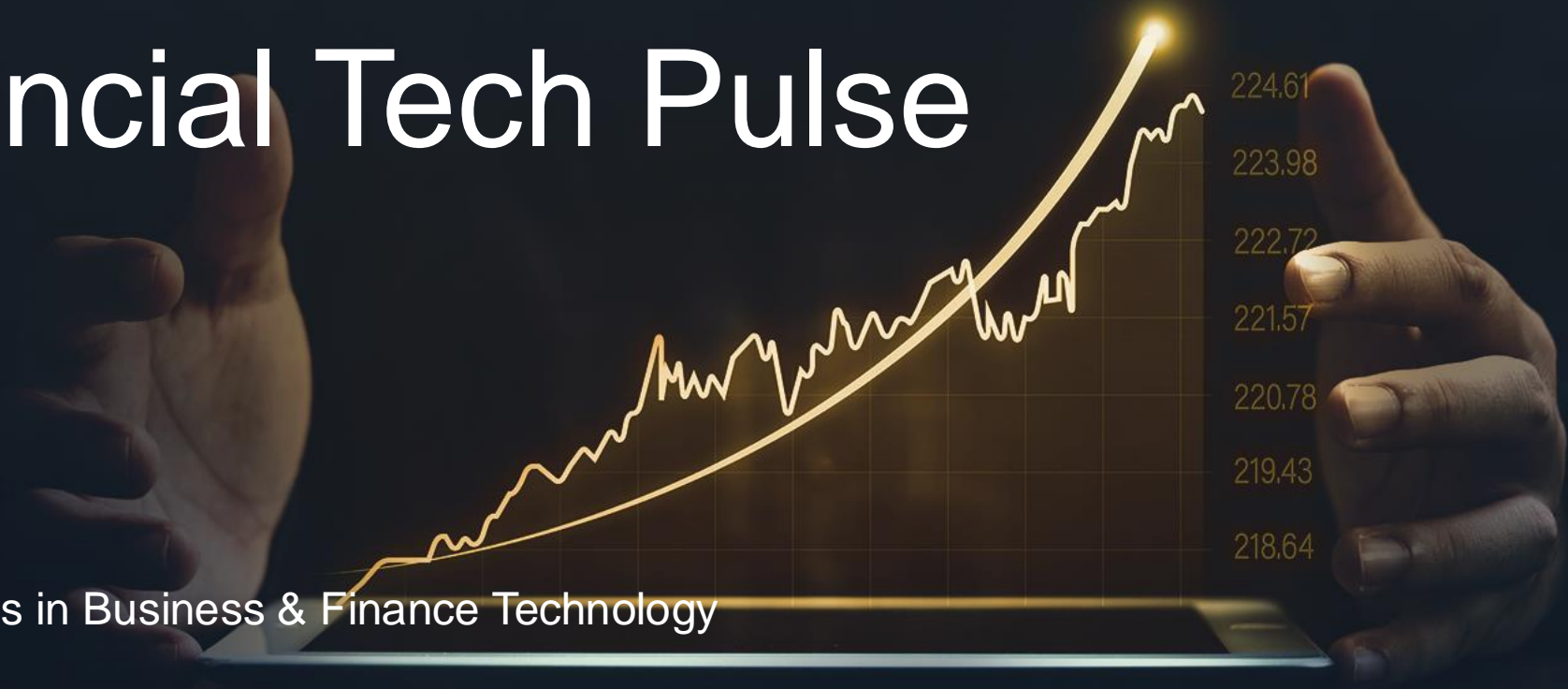


Finch Financial Tech Pulse

November 2024 Edition

Partnering with Ambitious Teams in Business & Finance Technology

Accelerating the Path to Profitable Scale



Welcome to our **Monthly Financial Technology Pulse!**

At Finch Capital, we focus on **3 core themes** across **Financial Technology**: 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.

Insurance

- Protection against various risks
- Claims and administration
- Fraud and payments
- Search and quoting software
- Data and underwriting

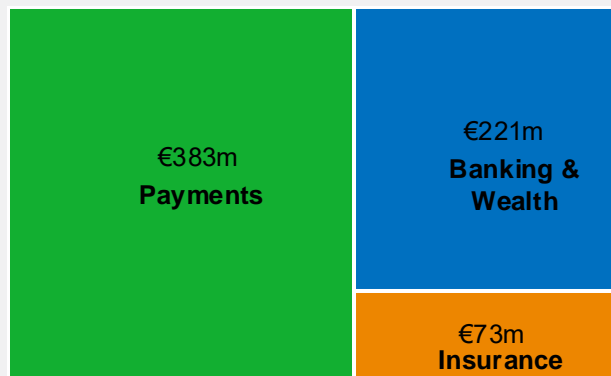
Payments

- B2B & A2A payments
- Payment value chain infrastructure (PSPs, gateways, pay-in, payout)
- Fraud and security
- Mobile payments/digital wallets/loyalty
- Card network infrastructure

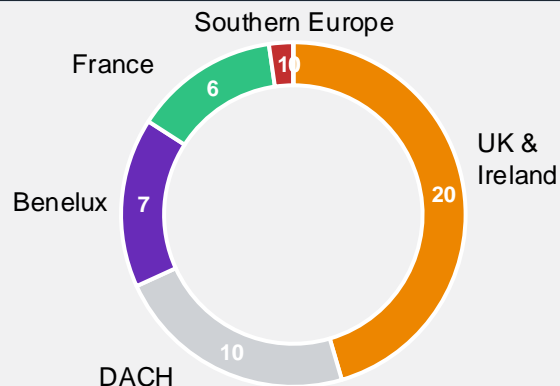
Banking & Wealth Management

- Banking as a service infrastructure (e.g. card issuing)
- Open banking infrastructure
- Lending/Mortgage/Factoring
- IFAs / Portfolio Management Software
- Investment Management Platforms

Value raised by vertical



VC/Growth Deals by region



Notable Fundraises

Company	HQ	Vertical	Round Size
ZEPZ		Payments	€242.1m
NELLY		Payments	€100m
moneybox		Banking & Wealth Management	€83.31m

Public Comps by vertical

Vertical	EV/Revenue	EV/EBITDA
Payments		
Q4 23	2.24x	18.91x
Q4 24	2.70x	18.27x
Banking & Wealth		
Q4 23	6.15x	20.60x
Q4 24	7.16x	16.63x
Insurance		
Q4 23	2.15x	13.99x
Q4 24	2.29x	13.58x

*As of 25/11/2024.

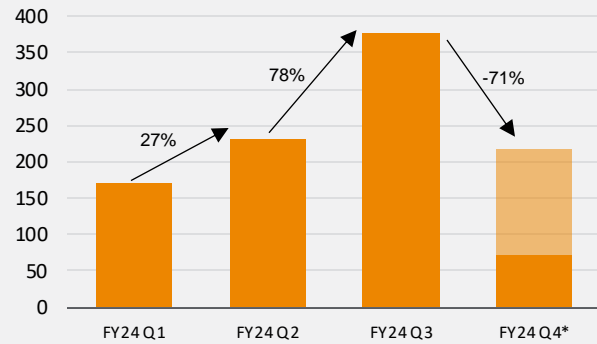
Notable Exits

Acquirer	Acquiree	HQ	Vertical
Bridgepoint	Eckoh		Payments
Incino	FullCirc		Payments
Allianz	FRI:DAY		Insurance

October Highlights

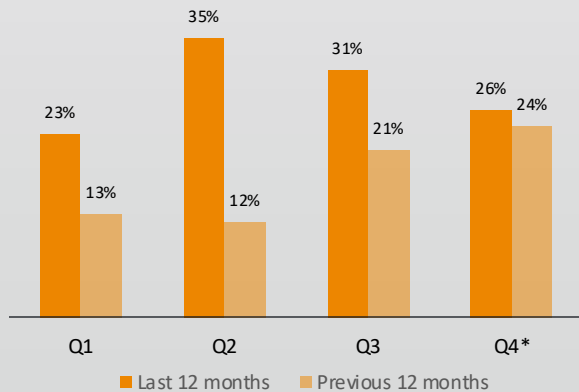
- A couple of **mega-rounds and EUR +150m exits** marked the **Payment industry** this month, a symbol of a maturing space across Europe
- The **Banking & Wealth industry is picking up after a slow summer**, EV/Rev median surpassing 7x this month and growth rounds multiplying in the UK
- The **mid-market M&A market in Insurance is booming** for PE and Strategic deals

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
stoik		Cybersecurity insurance for SMBs	€26.6m	Venture	Cyber Integrity Capital, HCC Insurance Holdings
DIESTA		Automating insurance premium collection, distribution to brokers	€3.4m	Seed	FinTech Collective, Commerce Ventures
ClaimSorted		AI Claims TPA	€2.7m	Pre-seed	Firstminute Capital, YCombinator

Notable Exits in October 24

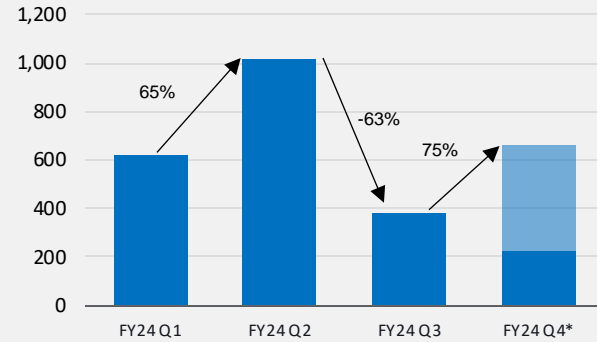
Acquirer	Acquiree	Country HQ	Transaction Size	EV/Revenue	EV/EBITDA
Allianz	FRI:DAY		€125-150m*	n/a	n/a
clear	LILLY PLUMMER RISKS		€91.31m (LBO)	n/a	n/a
B.P. MARSH & PARTNERS PLC	PANTHEON SPECIALTY		€0-20m* (LBO)	n/a	n/a

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
GoHealth	1.16x	1.07x	1.00x	1.06x	13.34x	12.50x	10.08x	10.36x	30%	9%	39%
Guidewire Software	16.70x	14.92x	11.52x	10.14x	155.48x	138.86x	105.77x	144.34x	8%	11%	19%
Hippo Enterprises	1.95x	0.88x	0.84x	1.54x	n/a	n/a	n/a	n/a	85%	-22%	63%
Lemonade	7.03x	2.23x	2.36x	2.47x	n/a	n/a	n/a	n/a	22%	-31%	-9%
PolicyBazaar	18.41x	18.37x	18.50x	14.47x	305.77x	345.79x	n/a	n/a	40%	6%	46%
Sapiens	2.64x	3.67x	3.36x	3.26x	13.82x	19.28x	17.63x	17.14x	7%	19%	26%
SelectQuote	0.86x	0.79x	0.92x	0.91x	8.49x	5.00x	11.80x	11.15x	29%	10%	39%
DXC Technology	0.59x	0.56x	0.54x	0.56x	4.61x	4.65x	4.46x	10.87x	-6%	13%	7%
Median	2.29x	1.65x	1.68x	2.00x	13.58x	15.89x	11.80x	11.15x	26%	9%	33%

*As of 25/11/2024.

Growth/VC Funding (€m)



*Most recent figures used for monthly estimates.

Notable Growth/VC deals in October 24

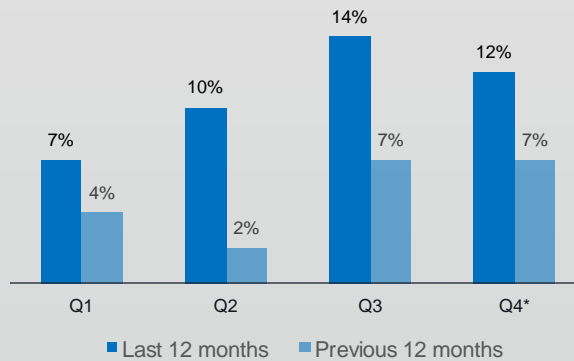
Company	Country HQ	Summary	Round Size	Round stage	Lead Investor
moneybox		Saving and investing platform	€83.31 m	Growth	Amundi, Apis Partners
TRUELAYER		Open banking platform	€45.2m	Growth	Northzone, Tiger Global, Temasek
LUMI		Digital banking platform designed for immigrants	€29.5m	Growth	n/a

Notable Exits in October 24

Acquirer	Acquiree	Country HQ	Transaction Size	EV/ Revenue	EV/ EBITDA
Pockit	monese		€18.9m	n/a	n/a

* Estimates.

Median YoY revenue growth rate



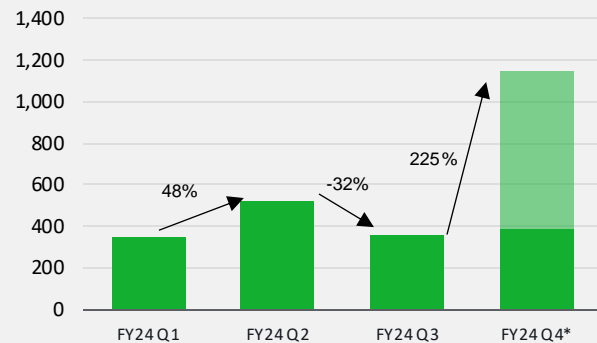
*Public Comps, as of 25/11/2024

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
Alkami	12.70x	10.27x	9.64x	8.77x	203.07x	249.48x	525.15x	n/a	27%	6%	33%
Blend	8.98x	6.79x	4.31x	5.60x	n/a	n/a	n/a	n/a	-4%	-8%	-12%
Fiserv	7.53x	6.52x	5.76x	6.14x	16.78x	14.83x	13.31x	14.35x	7%	45%	52%
MeridianLink	6.80x	6.26x	6.57x	5.83x	16.49x	15.46x	16.69x	15.67x	4%	41%	45%
Pagaya	1.48x	1.53x	1.70x	1.47x	7.69x	8.95x	11.83x	28.01x	27%	19%	46%
Robinhood	11.90x	7.40x	7.29x	6.81x	30.20x	20.24x	22.27x	23.71x	36%	39%	75%
Temenos Headquarters	5.40x	5.33x	5.63x	5.91x	16.38x	16.66x	17.42x	17.37x	4%	33%	37%
Forge Global	1.38x	1.76x	2.01x	3.02x	n/a	n/a	n/a	n/a	18%	-59%	-41%
Median	7.16x	6.39x	5.70x	5.87x	16.63x	16.06x	17.05x	17.37x	12%	26%	41%

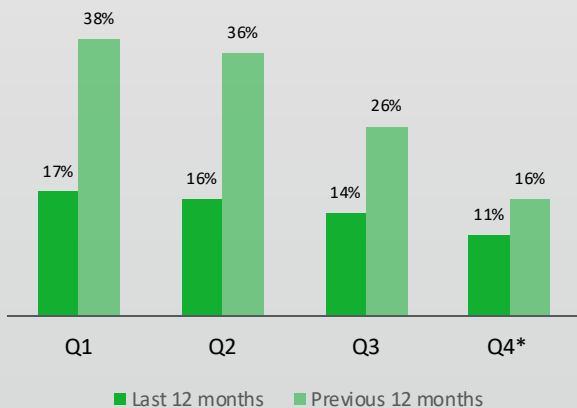
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Growth/VC Funding (€m)



*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
ZEPZ		International money transfer solution	€242.1m	Growth	Accel, Leapfrog, Coller Capital
NELLY		Signature and billing tool for payments	€100m	Venture	United Volksbank
tebi		All-in-one finance operating system	€20m	Venture	Index Ventures

Notable Exits in October 24

Acquirer	Acquiree	Country HQ	Transaction Size	EV/Revenue	EV/EBITDA
Bridgepoint	Eckoh		€202.82m (LBO)	n/a	n/a
Incino	FullCircle		€161.73m	n/a	n/a
leetchi:	iRaiser		€25-50m*	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
Adyen	15.79x	17.24x	14.26x	21.82x	36.63x	39.98x	34.45x	52.74x	-65%	43%	-22%
Block	2.17x	1.56x	1.52x	2.24x	18.27x	14.63x	16.34x	27.41x	15%	12%	27%
Flywire	4.57x	3.36x	3.35x	5.94x	31.52x	42.12x	29.36x	57.01x	27%	15%	41%
Marqeta	1.93x	2.89x	2.82x	2.71x	47.93x	157.79x	144.33x	n/a	-36%	4%	-32%
Payoneer	3.62x	2.60x	1.75x	1.47x	13.10x	9.41x	6.56x	5.94x	19%	28%	47%
PayPal Holdings	2.70x	2.45x	1.84x	2.26x	10.47x	9.50x	7.21x	9.38x	8%	26%	34%
Paysafe	1.94x	2.17x	2.06x	2.06x	7.02x	7.72x	7.26x	7.19x	8%	28%	36%
Wise	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	35%	41%	76%
Median	2.70x	2.60x	2.06x	2.26x	18.27x	14.63x	16.34x	18.40x	11%	27%	35%

*As of 25/11/2024.



Amsterdam

London

Dublin