

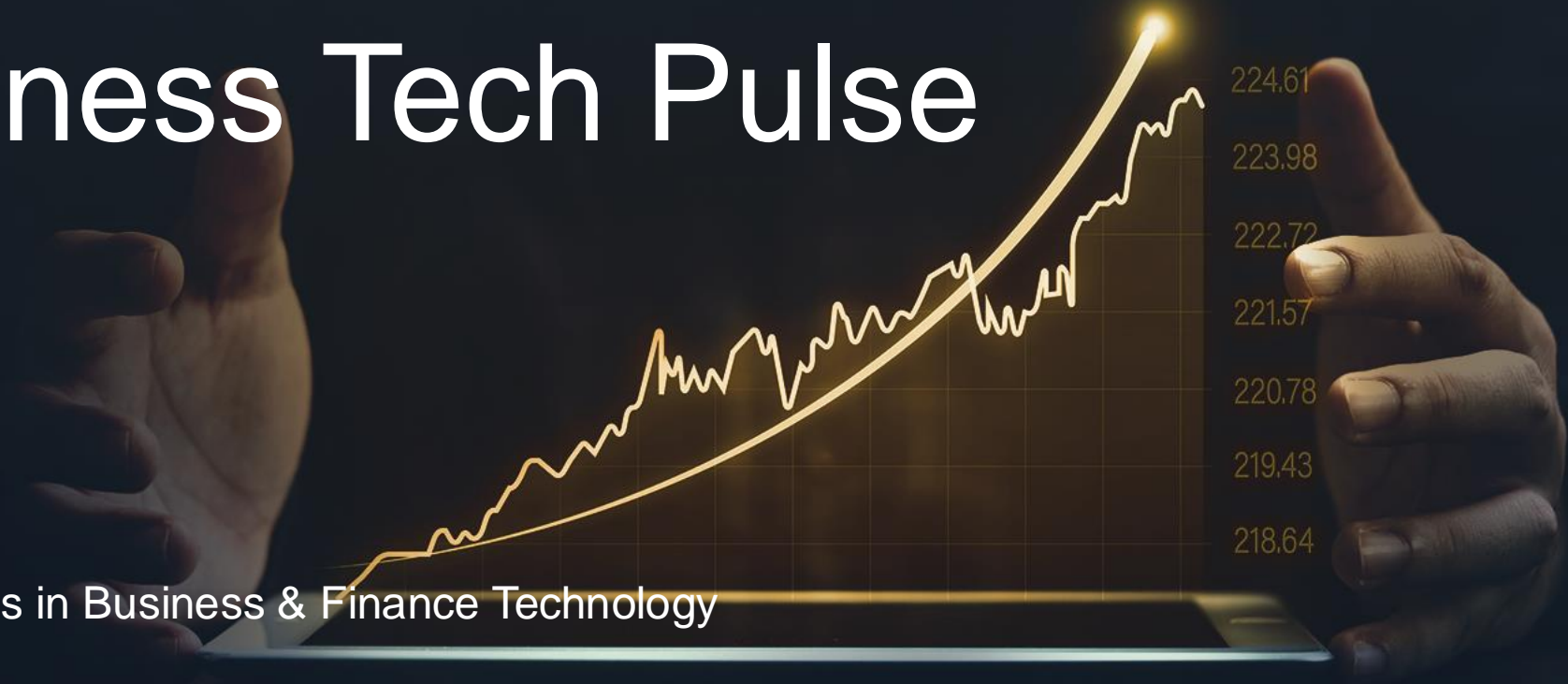


Finch Business Tech Pulse

October 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

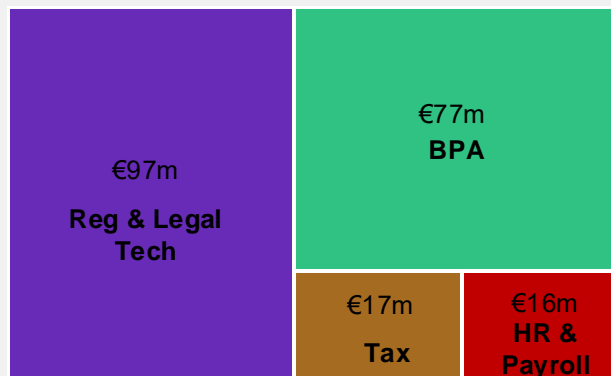
Regulatory, Legal & Compliance

- 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

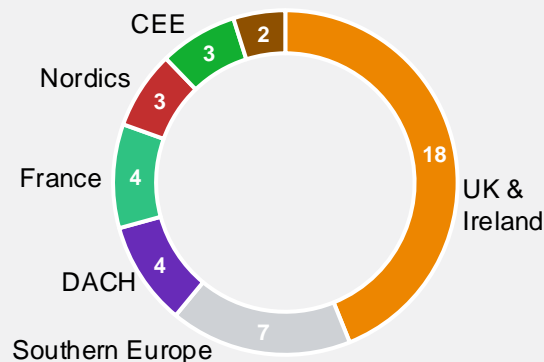
Business Process Automation

- 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
11x		HR & Payroll	€45.03m
Smartcat		Business Process Automation	€38.79m
novatus global		Reg & Legal Tech	€37.2m

Public Comps by vertical

Vertical	EV/Revenue	EV/EBITDA
HR & Payroll		
Q3 23	8.59x	26.53x
Q3 24	6.10x	15.95x
Business Process Automation		
Q3 23	7.12x	45.79x
Q3 24	8.71x	21.05x
Reg & Legal Tech		
Q3 23	5.07x	19.66x
Q3 24	7.29x	20.68x
Tax & Accounting		
Q3 23	6.39x	28.43x
Q3 24	8.22x	25.42x

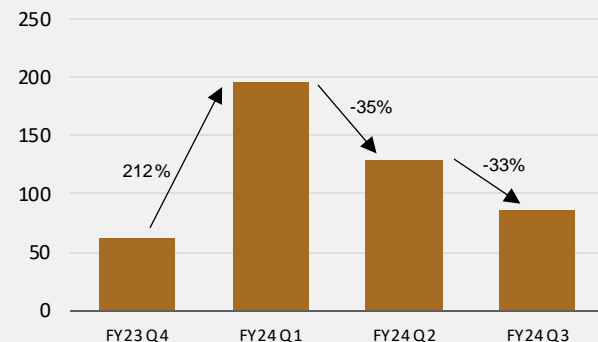
Notable Exits

Acquirer	Acquiree	HQ	Vertical
Risk Solutions	ZignSec		Reg & Legal Tech
intix	NetGuardians		Reg & Legal Tech
eurazeo pme	rydoo		Tax & Accounting

September Highlights

- Regulatory and Compliance** software companies are raising larger rounds thanks to the rise of regulatory pressure in Europe; **funding raised by 38%** this quarter
- Tax and Accounting funding** has slowed down **dropping by 56%** in the last three quarters; most companies are either raising smaller rounds or exiting
- Revenue growth** consistently **slowed down for HR & Payroll** leaders this year from 23% in Q4 2022 to 16% in Q3 2024, as companies are prioritising profitability as a value driver

Growth/VC Funding (€m)



Notable Growth/VC deals in September 24

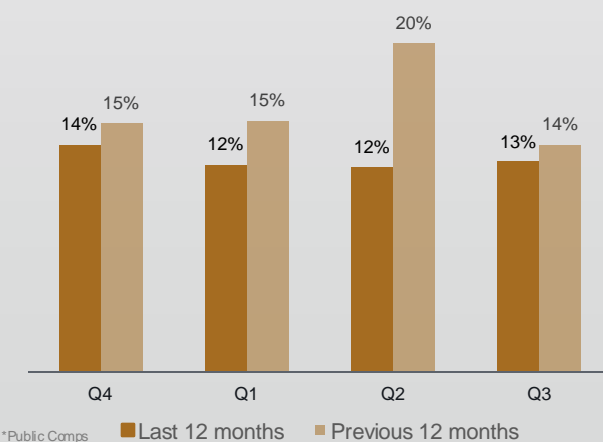
Company	Country HQ	Summary	Round Size	Round stage	Lead Investor
zevero	UK	Carbon accounting platform	€6.5m	Seed	Spiral Capital, East Ventures
accountable	Belgium	Accounting and tax automation software	€6m	Venture	n/a
nopillo	France	Accounting software for landlords	€4m	Venture	Kima Ventures, Newfund Management

Notable Exits in September 24

Acquirer	Acquiree	Country HQ	Transaction Size	EV/Revenue	EV/EBITDA
eurazeo pme	rydoo	Belgium	€50-100m* (LBO)	n/a	n/a
ISAGRI GROUPE	bobbee by agiris	France	€0-20m*	n/a	n/a
GROUPE BPCE	iPaidTHAT	France	€0-20m*	n/a	n/a

* Estimates.

Median YoY revenue growth rate

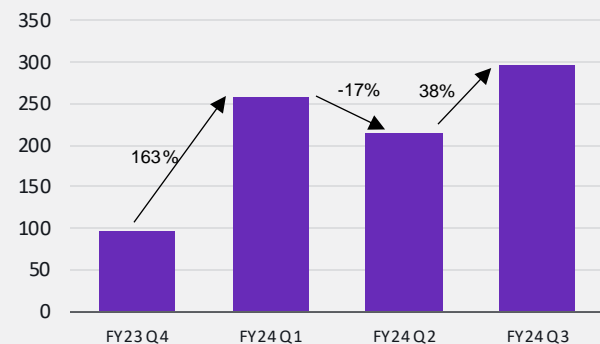


Comps Table

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	5,73x	5,25x	7,16x	7,14x	22,83x	18,90x	27,41x	27,83x	12%	25%	37%
Clearwater Analytics	13,37x	10,10x	10,02x	11,55x	43,41x	33,76x	34,82x	40,52x	21%	31%	52%
H&R Block	2,69x	2,42x	2,64x	2,43x	10,07x	8,50x	9,54x	8,87x	4%	27%	31%
Intuit	10,84x	11,73x	12,39x	12,15x	26,73x	28,70x	30,68x	30,09x	13%	41%	54%
Sage Group	4,91x	5,20x	6,06x	5,74x	18,79x	19,91x	23,94x	22,66x	7%	28%	35%
Vertex	9,72x	9,38x	8,54x	7,56x	44,86x	47,64x	48,50x	46,18x	17%	22%	38%
Wolters Kluwer	6,71x	7,03x	6,67x	5,99x	20,97x	22,13x	20,99x	19,55x	3%	32%	35%
Xero	14,20x	12,93x	14,21x	12,08x	46,20x	42,10x	64,98x	55,22x	22%	31%	53%
Median	8,22x	8,20x	7,85x	7,35x	24,78x	25,42x	29,04x	28,96x	13%	29%	38%

*As of 30/09/2024.

Growth/VC Funding (€m)



Notable Growth/VC deals in September 24

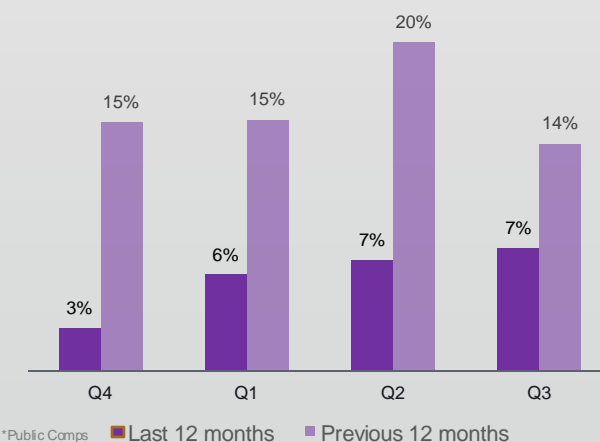
Company	Country HQ	Summary	Round Size	Round stage	Lead Investor
Novatus Global		Transaction reporting platform for financial institutions	€37.2m	Venture	Silversmith Capital Partners
Datamaran		ESG Risk Management software for corporates & investors	€30.7m	Growth	Morgan Stanley Expansion Capital \
DeepOpinion		AI-agents for insurance, finance & industrials	€10m	Venture	Red River West, Alpha Intelligence

Notable Exits in September 24

Acquirer	Acquiree	Country HQ	Transaction Size	EV/Revenue	EV/EBITDA
Risk Solutions	ZignSec		€26.62m (LBO)	4x	n/a
Intitix	NetGuardians		€20-50m* (LBO)	n/a	n/a
INFONIKA	SAWYO by INFONIKA		€0-20m* (LBO)	n/a	n/a

* Estimates.

Median YoY revenue growth rate

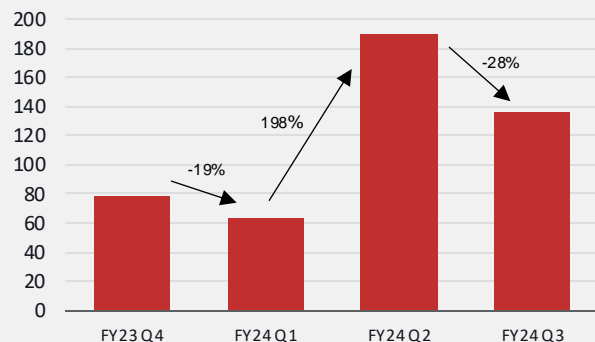


Comps Table

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
DISCO	1,60x	1,55x	2,51x	2,31x	n/a	n/a	n/a	n/a	6%	-10,85%	-5%
Equifax	7,65x	6,64x	7,38x	7,06x	24,13x	20,68x	22,96x	22,78x	8%	32%	40%
Experian	6,92x	6,52x	6,29x	5,88x	19,41x	18,29x	16,42x	15,33x	7%	36%	43%
FiscalNote Holdings	2,43x	2,51x	3,03x	2,83x	46,93x	493,90x	n/a	n/a	4%	5%	9%
IntApp	7,86x	6,15x	6,00x	6,76x	65,74x	66,26x	72,65x	99,62x	23%	12%	35%
LegalZoom	1,48x	2,03x	3,47x	2,96x	8,10x	10,90x	19,30x	17,20x	6%	18%	25%
Moody's	13,91x	13,13x	13,04x	13,42x	27,25x	26,42x	26,97x	28,75x	19%	51%	70%
Nasdaq	7,86x	7,19x	7,68x	6,34x	20,75x	19,21x	20,53x	18,00x	8%	38%	45%
Median	7,29x	6,33x	6,15x	6,11x	24,13x	20,68x	21,74x	20,39x	7%	25%	37%

*As of 30/09/2024.

Growth/VC Funding (€m)



Notable Growth/VC deals in September 24

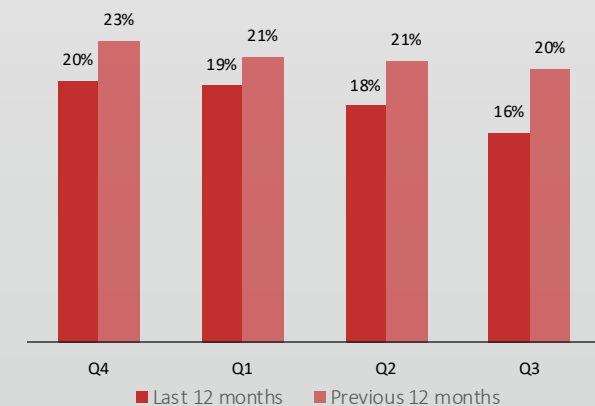
Company	Country HQ	Summary	Round Size	Round stage	Lead Investor
11x	UK	Automated digital workers driven by AI	€45.03m	Venture	Andreessen Horowitz
11x	UK	Automated digital workers driven by AI	€21.63m	Venture	Benchmark Capital Holdings
Jet HR	Italy	HR management for businesses	€12m	Seed	Picus Capital, Exor Ventures

Notable Exits in September 24

Acquirer	Acquiree	Country HQ	Transaction Size	EV/Revenue	EV/EBITDA
No exit announced					

* Estimates.

Median YoY revenue growth rate

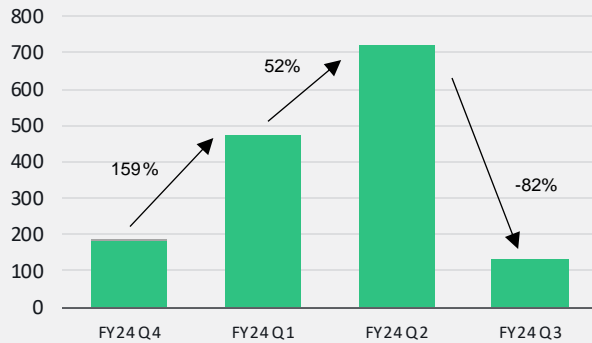


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Companies	EV/Revenue				EV/EBITDA				KPIs – FY24 Q3*		
	FY24 Q3*	FY24 Q2	FY24 Q1	FY23 Q4	FY24 Q3*	FY24 Q2	FY24 Q1	FY23 Q4	Rev YoY growth	EBITDA margin	Rule of 40
Automatic Data Processing	5,92x	5,17x	5,61x	5,36x	19,46x	17,09x	18,80x	18,04x	7%	30%	37%
Paychex	9,03x	7,96x	8,47x	8,21x	19,94x	17,60x	18,52x	17,96x	5%	45%	51%
Paycom	5,18x	4,56x	6,66x	7,04x	12,61x	10,90x	15,68x	16,24x	14%	41%	55%
Paycor HCM	3,71x	3,47x	5,65x	6,57x	15,36x	14,82x	25,26x	30,05x	19%	24%	43%
Paylocity	6,29x	5,17x	7,25x	7,28x	17,45x	14,41x	24,98x	21,83x	19%	36%	55%
TriNet Group	1,14x	1,18x	1,52x	1,41x	9,03x	8,89x	10,74x	10,33x	1%	13%	13%
Workday	7,73x	7,34x	9,30x	9,88x	29,07x	27,87x	35,81x	39,40x	17%	27%	44%
Dayforce	6,41x	5,51x	7,25x	7,73x	23,10x	19,96x	26,75x	29,61x	18%	28%	45%
Median	6,10x	5,17x	6,95x	7,16x	18,45x	15,95x	21,89x	19,93x	16%	29%	44%

*As of 30/09/2024.

Growth/VC Funding (€m)



Notable Growth/VC deals in September 24

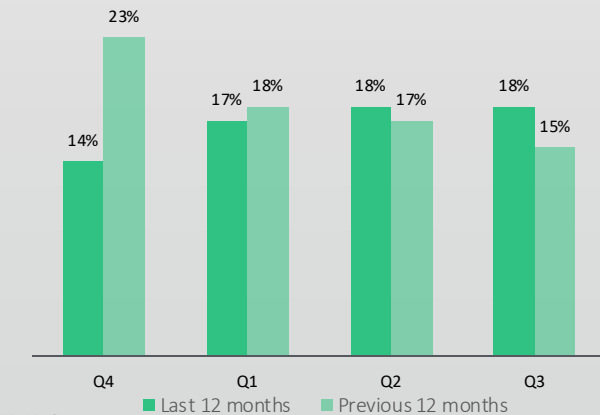
Company	Country HQ	Summary	Round Size	Round stage	Lead Investor
Smartcat		Translation automation platform	€38.79m	Growth	Left Lane Capital
Re-Leased		Commercial real estate SaaS platform	€11.32m	Venture	Movac
Cognitivecredit		Software designed to provide visualisation tools	€9.6m	Venture	ETFS Capital

Notable Exits in September 24

Acquirer	Acquiree	Country HQ	Transaction Size	EV/Revenue	EV/EBITDA
NETCALL	contract.fit		€7.85m	n/a	n/a
Zenfulfillment	alaiko		€25-50m*	n/a	n/a
LAB FORWARD	LabTwin		€0-20m*	n/a	n/a

* Estimates

Median YoY revenue growth rate



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
AppFolio	11,50x	12,89x	13,99x	10,56x	45,92x	60,92x	102,82x	150,77x	36%	25%	61%
HubSpot	11,00x	12,82x	14,35x	13,80x	58,52x	70,85x	79,79x	80,89x	23%	19%	42%
Oracle	10,15x	8,80x	8,07x	7,17x	20,45x	17,96x	16,75x	15,12x	6%	50%	55%
Pegasystems	4,14x	3,55x	3,90x	3,20x	17,61x	16,84x	19,69x	23,86x	15%	23%	39%
Salesforce	7,14x	6,83x	8,34x	7,53x	16,61x	18,15x	21,88x	19,18x	10%	43%	53%
SAP	7,27x	6,84x	6,67x	5,19x	22,43x	21,71x	23,05x	18,88x	7%	32%	38%
ServiceNow	18,18x	16,75x	17,13x	16,88x	54,60x	50,60x	53,07x	53,10x	24%	33%	57%
UiPath	3,89x	3,99x	8,48x	10,16x	23,66x	20,38x	42,38x	55,21x	20%	17%	37%
Median	8,71x	7,82x	8,41x	8,84x	23,04x	21,05x	32,71x	38,48x	18%	28%	48%

*As of 30/09/2024.



Amsterdam

London

Dublin