

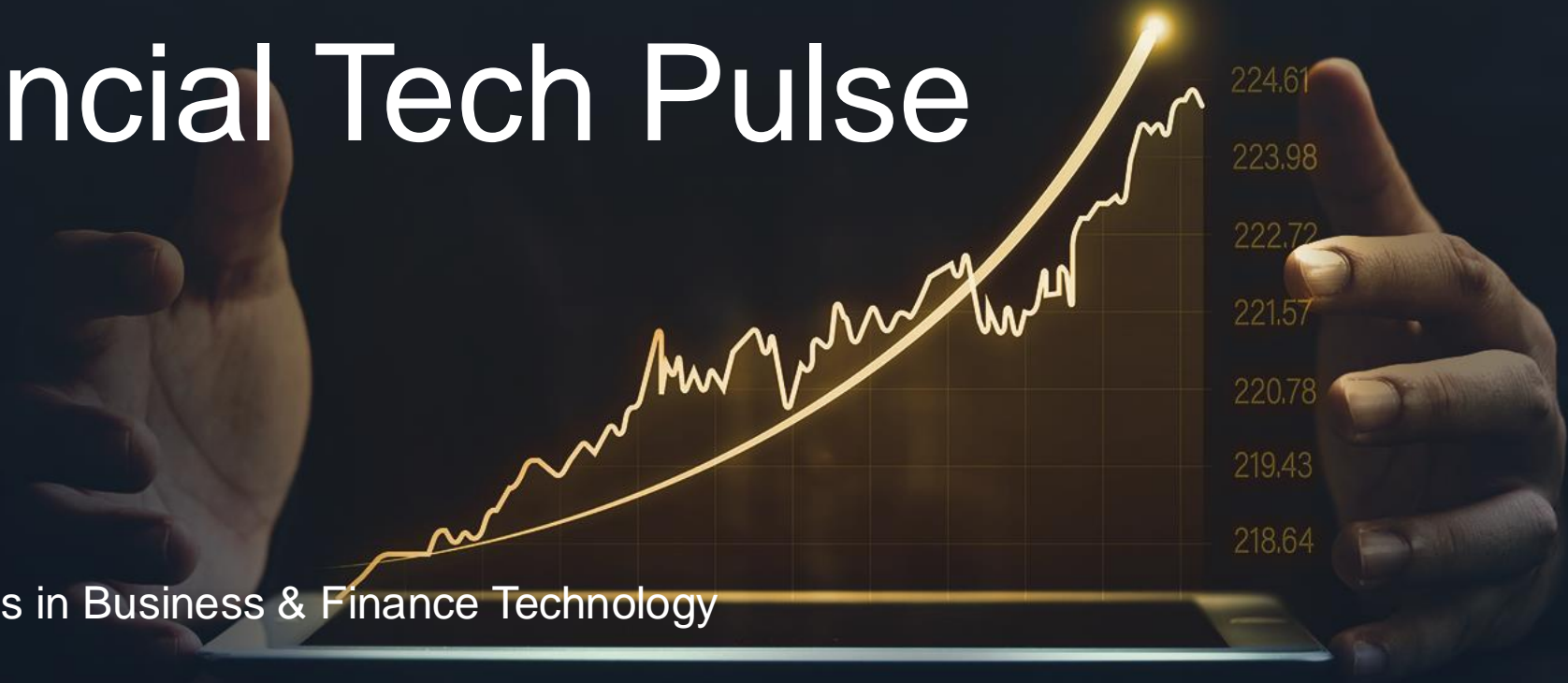


# Finch Financial Tech Pulse

October 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

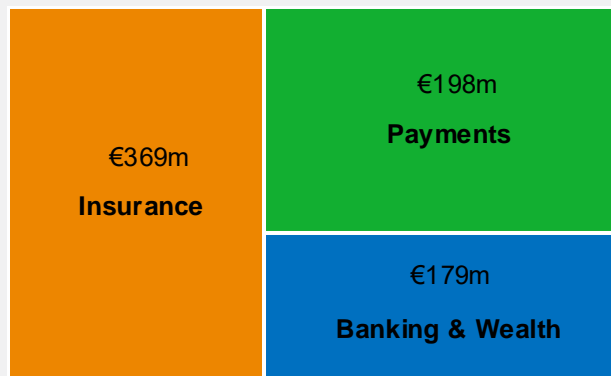
## Payments

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

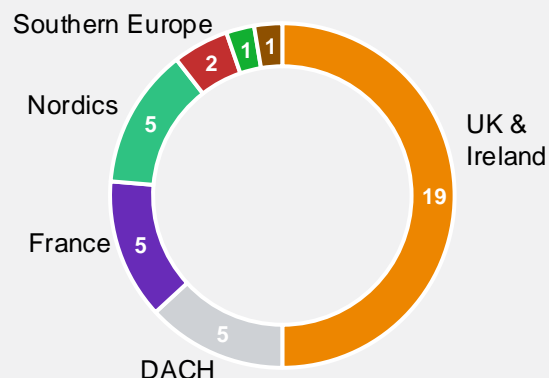
## Banking & Wealth Management

- 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
alan		Insurance	€179.6m
AKUR8		Insurance	€107.8m
FORM3		Payments	€55.8m

## Public Comps by vertical

Vertical	EV/Revenue	EV/EBITDA
<b>Payments</b>		
Q3 23	2.14x	17.81x
Q3 24	2.60x	14.63x
<b>Banking &amp; Wealth</b>		
Q3 23	4.60x	16.96x
Q3 24	6.39x	16.06x
<b>Insurance</b>		
Q3 23	2.16x	16.67x
Q3 24	1.65x	15.89x

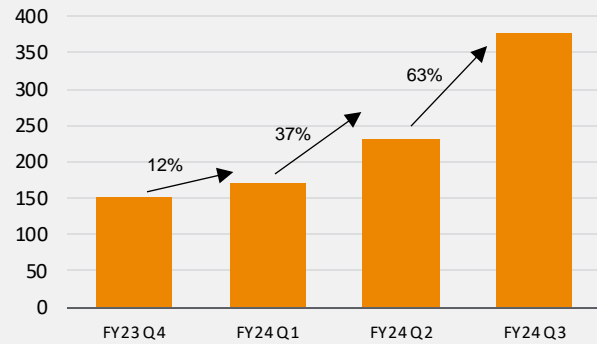
## Notable Exits

Acquirer	Acquiree	HQ	Vertical
TARABUT	vyne		Payments
access	QikServe		Payments
Quilter	NuWealth		Banking & Wealth Management

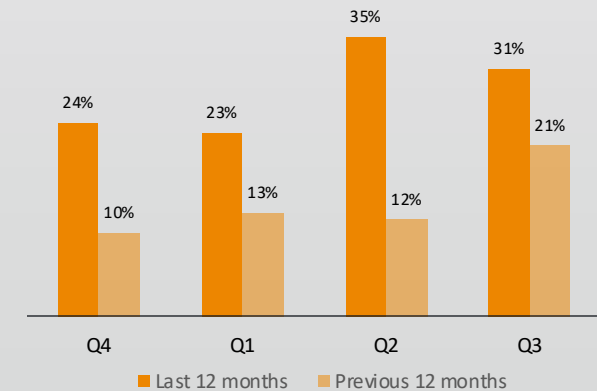
## September Highlights

- The **French InsurTech** space is booming with a few Growth rounds announced in September including players Alan, Akur8 and Neat
- Revenue growth** consistently **slowed down for Payment** leaders this year from 41% in Q4 2022 to 14% in Q3 2024, as companies are prioritising profitability as a value driver
- Banking & Wealth Management** funding dropped this quarter as no mega rounds were announced

## Growth/VC Funding (€m)



## Median YoY revenue growth rate



\*Public Comps

## Notable Growth/VC deals in September 24

Company	Country HQ	Summary	Round Size	Round stage	Lead Investor
alan		Digital health insurance platform	€179.6m	Growth	Belfius, Ontario Teachers' Pension Plan
AKUR8		SaaS Insurtech specialised in insurance pricing	€107.8m	Growth	One Peak, Partners Group, Guidewise Software
neat		B2B2C Embedded insurance provider	€50m	Venture	Hedosophia, Mundi Ventures, ETFS Capital

## Notable Exits in September 24

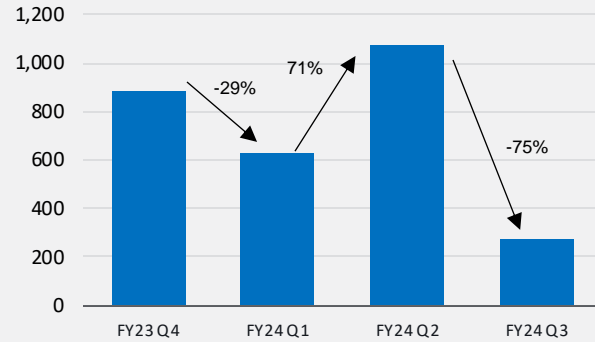
Acquirer	Acquiree	Country HQ	Transaction Size	EV/Revenue	EV/EBITDA
No exit announced					

## 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
GoHealth	1,07x	1,00x	1,06x	1,65x	12,50x	10,08x	10,36x	n/a	33%	9%	41%
Guidewire Software	14,92x	11,52x	10,14x	9,44x	138,86x	105,77x	144,34x	155,78x	8%	11%	19%
Hippo Enterprises	0,88x	0,84x	1,54x	0,05x	n/a	n/a	n/a	n/a	93%	-36%	57%
Lemonade	2,23x	2,36x	2,47x	2,64x	n/a	n/a	n/a	n/a	30%	-31%	-1%
PolicyBazaar	18,37x	18,50x	14,47x	10,74x	345,79x	n/a	n/a	n/a	39%	5%	44%
Sapiens	3,67x	3,36x	3,26x	3,04x	19,28x	17,63x	17,14x	16,11x	8%	19%	27%
SelectQuote	0,79x	0,92x	0,91x	0,85x	5,00x	11,80x	11,15x	10,04x	32%	16%	48%
DXC Technology	0,56x	0,54x	0,56x	0,62x	4,65x	4,46x	10,87x	11,87x	-5%	12%	7%
<b>Median</b>	<b>1,65x</b>	<b>1,68x</b>	<b>2,00x</b>	<b>2,15x</b>	<b>15,89x</b>	<b>11,80x</b>	<b>11,15x</b>	<b>13,99x</b>	<b>31%</b>	<b>10%</b>	<b>34%</b>

\*As of 30/09/2024.

## Growth/VC Funding (€m)



## Notable Growth/VC deals in September 24

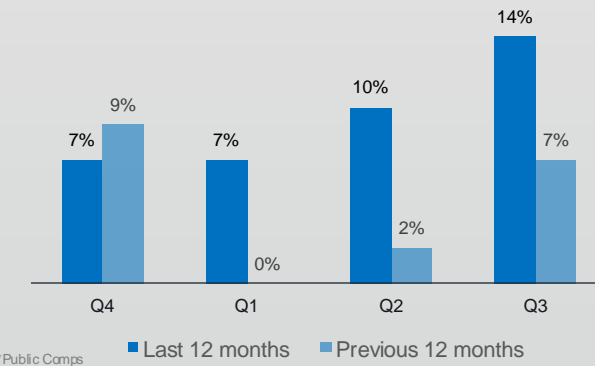
Company	Country HQ	Summary	Round Size	Round stage	Lead Investor
yonder		Credit and loyalty programme, without FX fees	€27.6m	Venture	Repeat, RTP Global, Latitude
Twenty7tec		B2B Mortgage Digitization provider	€19.4m	Venture	BGF
PROSPER		Savings advice for individuals	€5.42m	Venture	Thomas Blomfield

## Notable Exits in September 24

Acquirer	Acquiree	Country HQ	Transaction Size	EV/Revenue	EV/EBITDA
GoCardless	Sentenial		€32.75m	n/a	n/a
TARABUT	vynne		€50-100m*	n/a	n/a
Kepler Cheuvreux	trackinsight		€0-20m*	n/a	n/a

\* Estimates.

## Median YoY revenue growth rate

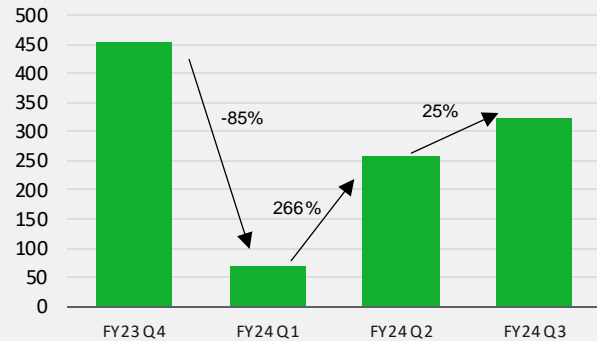


## Comps Table

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
Alkami	10,27x	9,64x	8,77x	8,98x	249,48x	525,15x	n/a	n/a	27%	4%	31%
Blend	6,79x	4,31x	5,60x	4,06x	n/a	n/a	n/a	n/a	-15%	-31%	-46%
Fiserv	6,52x	5,76x	6,14x	5,49x	14,83x	13,31x	14,35x	13,01x	7%	44%	51%
MeridianLink	6,26x	6,57x	5,83x	7,58x	15,46x	16,69x	15,67x	21,62x	4%	40%	45%
Pagaya	1,53x	1,70x	1,47x	1,84x	8,95x	11,83x	28,01x	35,03x	23%	17%	40%
Robinhood	7,40x	7,29x	6,81x	3,61x	20,24x	22,27x	23,71x	13,20x	34%	37%	71%
Temenos Headquarters	5,33x	5,63x	5,91x	7,01x	16,66x	17,42x	17,37x	20,60x	6%	32%	38%
Forge Global	1,76x	2,01x	3,02x	6,81x	n/a	n/a	n/a	n/a	21%	-58%	-36%
<b>Median</b>	<b>6,39x</b>	<b>5,70x</b>	<b>5,87x</b>	<b>6,15x</b>	<b>16,06x</b>	<b>17,05x</b>	<b>17,37x</b>	<b>20,60x</b>	<b>14%</b>	<b>25%</b>	<b>39%</b>

\*As of 30/09/2024.

## Growth/VC Funding (€m)



## Notable Growth/VC deals in September 24

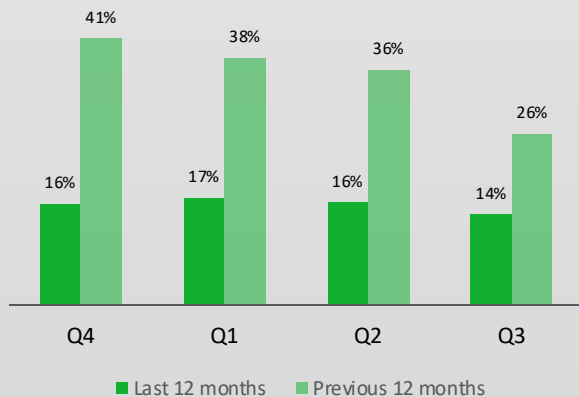
Company	Country HQ	Summary	Round Size	Round stage	Lead Investor
<b>FORM3</b>		Cloud-native payments technology provider	€55.8m	Growth	British Patient Capital, Visa,
<b>apron.</b>		Payments platform designed for business owners	€27.9m	Growth	Zinal Growth, Index Ventures
<b>PastPay®</b>		B2B BNPL provider in CEE region	€12m	Venture	Platina Capital, MBH Bank

## Notable Exits in September 24

Acquirer	Acquiree	Country HQ	Transaction Size	EV/Revenue	EV/EBITDA
TARABUT	vyne		€25-50m*	n/a	n/a
nuvei	payaut		€0-20m*	n/a	n/a
access	QikServe		€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
Adyen	17,24x	14,26x	21,82x	5,14x	39,98x	34,45x	52,74x	42,61x	-65%	43%	-22%
Block	1,56x	1,52x	2,24x	2,10x	14,63x	16,34x	27,41x	28,93x	19%	11%	30%
Flywire	3,36x	3,35x	5,94x	5,79x	42,12x	29,36x	57,01x	61,57x	27%	8%	35%
Marqeta	2,89x	2,82x	2,71x	3,11x	157,79x	144,33x	n/a	n/a	-44%	2%	-42%
Payoneer	2,60x	1,75x	1,47x	1,67x	9,41x	6,56x	5,94x	8,09x	21%	28%	49%
PayPal Holdings	2,45x	1,84x	2,26x	2,24x	9,50x	7,21x	9,38x	8,89x	9%	26%	34%
Paysafe	2,17x	2,06x	2,06x	1,98x	7,72x	7,26x	7,19x	6,99x	8%	28%	36%
Wise	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	56%	37%	93%
<b>Median</b>	<b>2,60x</b>	<b>2,06x</b>	<b>2,26x</b>	<b>2,24x</b>	<b>14,63x</b>	<b>16,34x</b>	<b>18,40x</b>	<b>18,91x</b>	<b>14%</b>	<b>27%</b>	<b>35%</b>

\*As of 30/09/2024.

\*Public Comps



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Amsterdam

London

Dublin