



Finch Business Tech Pulse

September 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

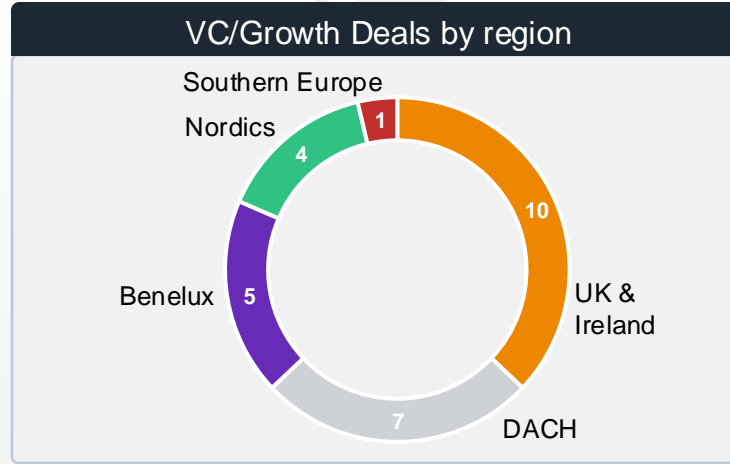
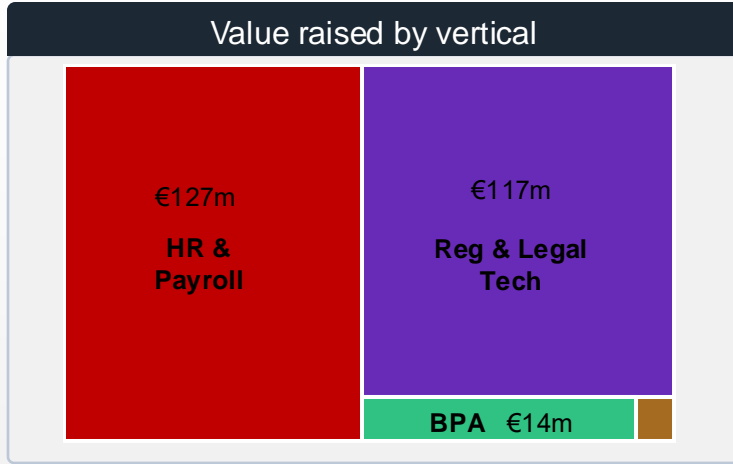
- Financial management software & FPA
- Tax prep, management and compliance
- AP/AR
- Revenue & spend management
- Shareholder/board planning
- Audit
- Treasury

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
osapiens		Reg & Legal Tech	€111.7m
cloudpay		HR & Payroll	€111.7m
UNITED FINTECH		Reg & Legal Tech	n/a

Public Comps by vertical

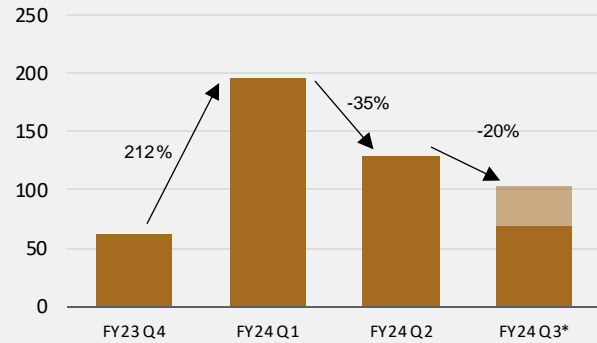
Vertical	EV/Revenue	EV/EBITDA
HR & Payroll	Q3 23: 5.96x Q3 24: 8.59x	Q3 23: 19.42x Q3 24: 39.26x
Business Process Automation	Q3 23: 7.12x Q3 24: 7.92x	Q3 23: 32.86x Q3 24: 43.60x
Reg & Legal Tech	Q3 23: 5.07x Q3 24: 7.05x	Q3 23: 19.66x Q3 24: 22.56x
Tax & Accounting	Q3 23: 6.39x Q3 24: 8.31x	Q3 23: 37.57x Q3 24: 38.90x

Notable Exits

Acquirer	Acquiree	HQ	Vertical
Thomson Reuters	SafeSign Technologies		Reg & Legal Tech
Ardoq	ShiftX		Business Process Automation
VISMA	HIX		Tax & Accounting

- ### August Highlights
- Compliance deadlines approaching for **EU sustainability regulations** led to a surge in tech tools to help companies meet transparency and sustainability disclosure standards.
 - New solutions emerged that leverage **AI to optimize tax filings for businesses**, particularly focusing on identifying credits, deductions, and VAT recovery.
 - August was quiet for BPA and T&A in terms of new deals announced

Growth/VC Funding (€m)



*Figures from 31/08/2024 used quarterly estimates.

Notable Growth/VC deals in August 24

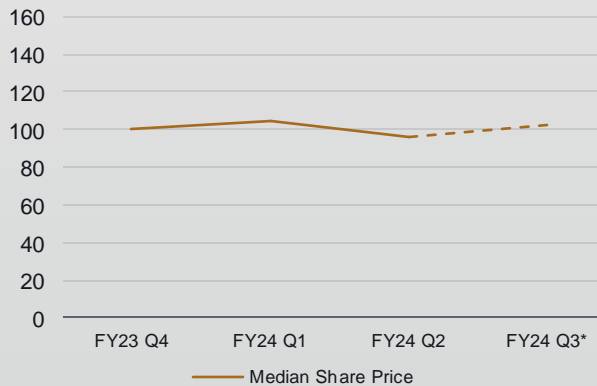
Company	Country HQ	Summary	Round Size	Round stage	Lead Investor
Cardboard		Spending and accounting automation platform	€1.9m	Seed	Skyfall Ventures, Runway FBU, Sondo
novabook		Accounting services for startups	n/a	Venture	Leo Lion

Notable Exits in August 24

Acquirer	Acquiree	Country HQ	Transaction Size	EV/Revenue	EV/EBITDA
cloudfloat	incomee		€0-20m*	n/a	n/a
VISMA	HIX		€0-20 (LBO)*	n/a	n/a
VORTEX CAPITAL PARTNERS	TP TUNED		€0-20m (LBO)*	n/a	n/a

* Estimates.

Public Market Index



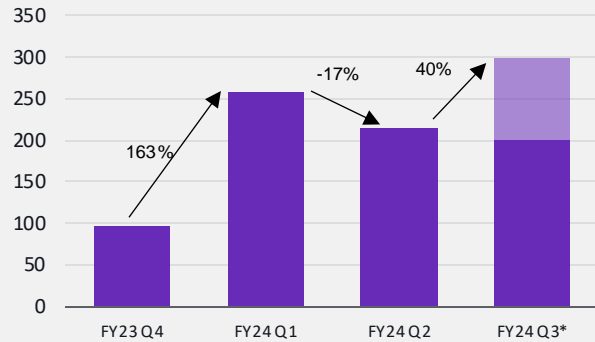
*Share price as of 31/08/2024.

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	5,17x	5,25x	7,16x	7,14x	24,48x	38,90x	65,59x	76,07x	12%	21%	33%
Clearwater Analytics	13,12x	10,10x	10,02x	11,55x	n/a	n/a	n/a	n/a	21%	0%	21%
H&R Block	2,70x	2,42x	2,64x	2,43x	10,12x	8,76x	9,85x	9,18x	4%	27%	31%
Intuit	10,97x	11,73x	12,39x	12,15x	40,42x	40,38x	43,91x	43,01x	12%	29%	41%
Sage Group	4,85x	5,20x	6,06x	5,74x	22,92x	24,55x	31,37x	29,70x	7%	21%	28%
Vertex	9,77x	9,38x	8,54x	7,56x	71,48x	80,67x	76,63x	80,45x	17%	14%	30%
Wolters Kluwer	6,84x	7,03x	6,67x	5,99x	21,39x	22,20x	21,06x	19,36x	3%	32%	35%
Xero	13,56x	12,93x	14,21x	12,08x	46,72x	44,56x	1649,39x	1401,66x	22%	29%	51%
Median	8,31x	8,20x	7,85x	7,35x	24,48x	38,90x	43,91x	43,01x	12%	24%	32%

*As of 31/08/2024.

Growth/VC Funding (€m)



*Figures from 31/08/2024 used quarterly estimates.

Notable Growth/VC deals in August 24

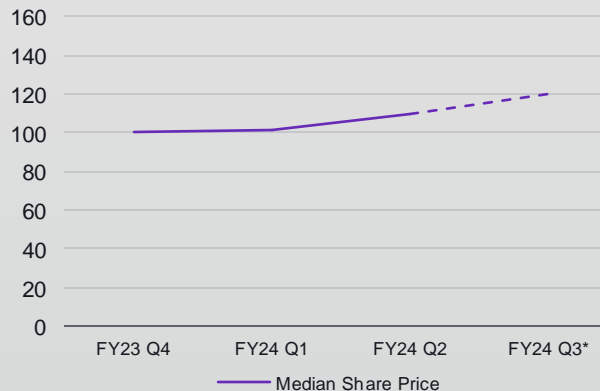
Company	Country HQ	Summary	Round Size	Round stage	Lead Investor
osapiens		ESG platform for compliance & sustainability reporting	€111.7m	Growth	Goldman Sachs Alternatives
UNITED FINTECH		Platform to access technology from Fintechs	n/a	Venture	Standard Chartered Bank
SPINANALYTICS		AI due diligence solution	€5.4m	Seed	n/a

Notable Exits in August 24

Acquirer	Acquiree	Country HQ	Transaction Size	EV/Revenue	EV/EBITDA
Thomson Reuters	SafeSign Technologies		€0-20m+*	n/a	n/a

* Estimates.

Public Market Index



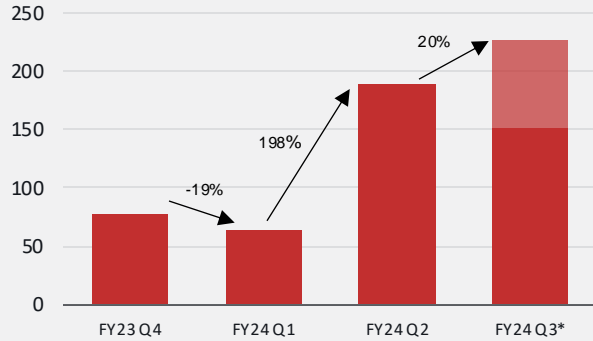
*Share price as of 31/08/2024.

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	1.46x	1.55x	2.51x	2.31x	n/a	n/a	n/a	n/a	6%	-21.78%	-16%
Equifax	7.95x	6.64x	7.38x	7.06x	26.29x	22.08x	24.62x	23.89x	8%	30%	38%
Experian	6.52x	6.52x	6.29x	5.88x	19.24x	19.25x	19.06x	17.80x	7%	34%	41%
FiscalNote Holdings	2.45x	2.51x	3.03x	2.83x	10.44x	22.27x	n/a	n/a	4%	23%	27%
IntApp	7.58x	6.15x	6.00x	6.76x	n/a	n/a	n/a	n/a	23%	-2%	21%
LegalZoom	1.58x	2.03x	3.47x	2.96x	18.98x	23.39x	34.87x	42.52x	6%	8%	15%
Moody's	14.28x	13.13x	13.04x	13.42x	30.51x	28.90x	30.14x	31.66x	19%	47%	65%
Nasdaq	7.77x	7.19x	7.68x	6.34x	24.18x	22.84x	24.76x	20.99x	8%	32%	40%
Median	7.05x	6.33x	6.15x	6.11x	21.71x	22.56x	24.76x	23.89x	7%	27%	33%

*As of 31/08/2024.

Growth/VC Funding (€m)



*Figures from 31/08/2024 used quarterly estimates.

Notable Growth/VC deals in August 24

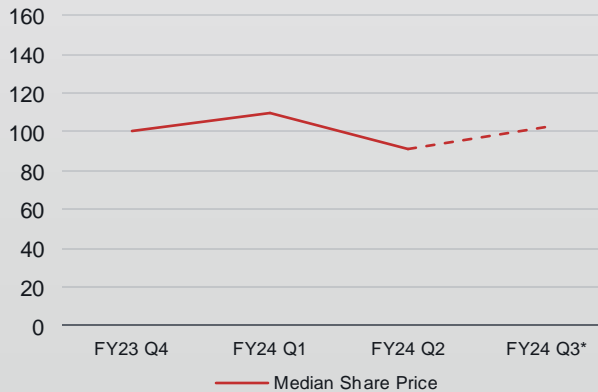
Company	Country HQ	Summary	Round Size	Round stage	Lead Investor
cloudpay		Payroll & treasury services provider	€111.7m	Venture	Blue Owl Capital, Rho Capital Partners
Jobilla		Digital recruitment software	€6m	Venture	Business Finland, Juuri Partners, Trind Ventures
FLOWIT		SaaS platform for employee development	€4.2m	Seed	ALSTIN Capital, VI Partners

Notable Exits in August 24

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

* Estimates.

Public Market Index



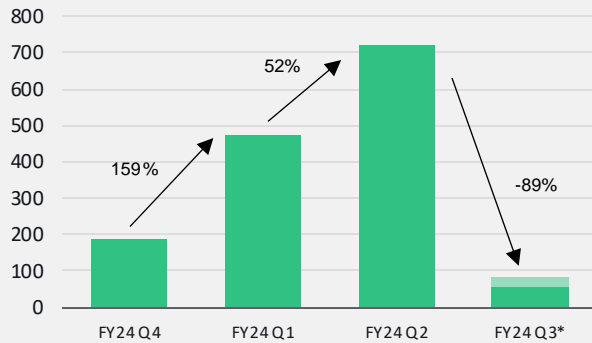
*Share price as of 31/08/2024.

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
Automatic Data Processing	5.90x	5.17x	5.61x	5.36x	20.40x	17.78x	19.63x	18.84x	7%	29%	36%
Paychex	8.82x	7.96x	8.47x	8.21x	19.61x	17.56x	19.12x	18.54x	5%	45%	50%
Paycom	5.06x	4.56x	6.66x	7.04x	12.28x	11.05x	19.17x	19.61x	14%	41%	55%
Paycor HCM	3.71x	3.47x	5.65x	6.57x	28.20x	31.31x	64.38x	81.71x	19%	13%	32%
Paylocity	6.15x	5.17x	7.25x	7.28x	24.39x	21.06x	31.38x	34.73x	19%	25%	45%
TriNet Group	1.20x	1.18x	1.52x	1.41x	12.22x	11.83x	13.61x	12.89x	1%	10%	11%
Workday	8.36x	7.34x	9.30x	9.88x	106.27x	102.42x	149.76x	235.38x	17%	8%	25%
Dayforce	6.01x	5.51x	7.25x	7.73x	33.25x	30.41x	41.47x	55.35x	18%	18%	36%
Median	5.96x	5.17x	6.95x	7.16x	22.40x	19.42x	25.51x	27.17x	16%	22%	36%

*As of 31/08/2024.

Growth/VC Funding (€m)



*Figures from 31/08/2024 used quarterly estimates.

Notable Growth/VC deals in August 24

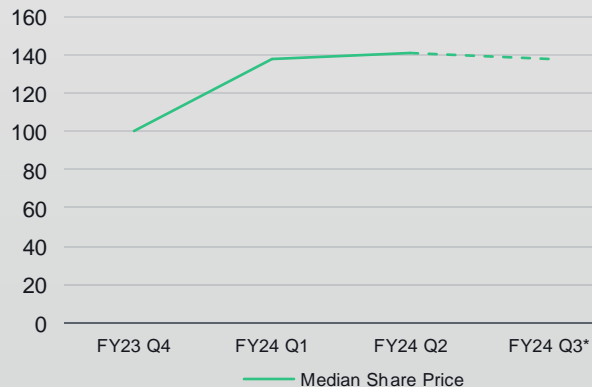
Company	Country HQ	Summary	Round Size	Round stage	Lead Investor
timeseer AI		Data platform for augmented analytics	€3m	Venture	OTB Ventures
Hurree		Multi-channel marketing automation platform	n/a	Venture	Soya Ventures
PROBIS		Cloud-based software for commercial construction projects	n/a	Venture	JLL Sparks

Notable Exits in August 24

Acquirer	Acquiree	Country HQ	Transaction Size	EV/Revenue	EV/EBITDA
spotler	RedEye		€0-20m (LBO)*	n/a	n/a
box	alphamoon		€0-20m*	n/a	n/a
Ardoq	ShiftX		€0-20m*	n/a	n/a

* Estimates

Public Market Index



*Share price as of 31/08/2024.

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	11.32x	12.89x	13.99x	10.56x	66.66x	98.48x	293.36x	n/a	36%	17%	53%
HubSpot	10.30x	12.82x	14.35x	13.80x	13051.44x	n/a	n/a	n/a	23%	0%	23%
Oracle	8.80x	8.80x	8.07x	7.17x	22.26x	22.24x	20.83x	18.75x	6%	40%	46%
Pegasystems	4.01x	3.55x	3.90x	3.20x	37.86x	47.39x	49.92x	n/a	15%	11%	26%
Salesforce	6.60x	6.83x	8.34x	7.53x	19.54x	23.88x	32.61x	33.40x	10%	34%	44%
SAP	7.03x	6.84x	6.67x	5.19x	42.48x	39.80x	29.64x	27.40x	7%	17%	23%
ServiceNow	17.36x	16.75x	17.13x	16.88x	106.57x	106.39x	118.96x	125.49x	24%	16%	40%
UiPath	4.07x	3.99x	8.48x	10.16x	n/a	n/a	n/a	n/a	23%	-8%	15%
Median	7.92x	7.82x	8.41x	8.84x	42.48x	43.60x	41.27x	30.40x	19%	16%	33%

*As of 31/08/2024.



Amsterdam

London

Dublin