

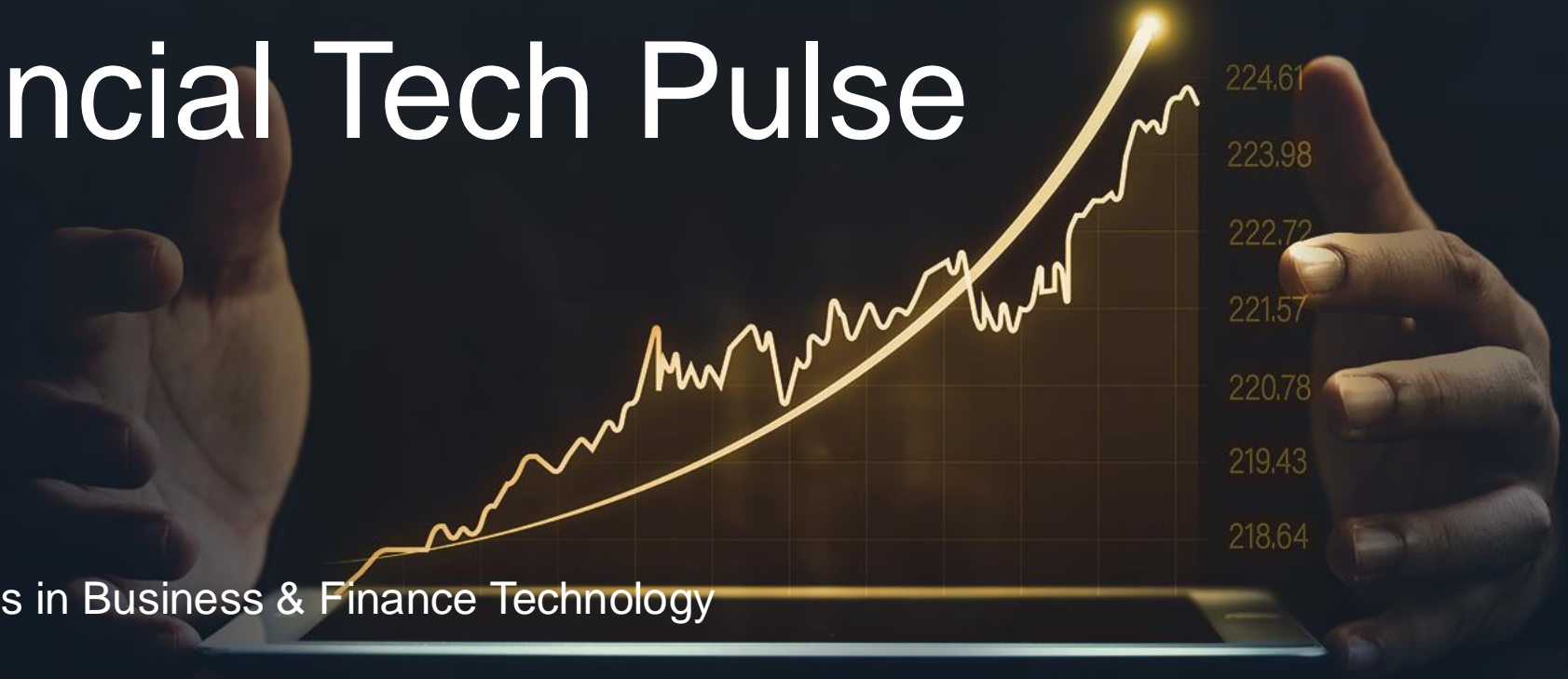


# Finch Financial Tech Pulse

September 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

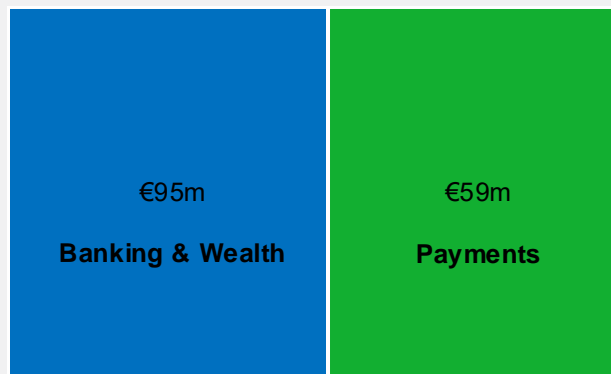
## Payments

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

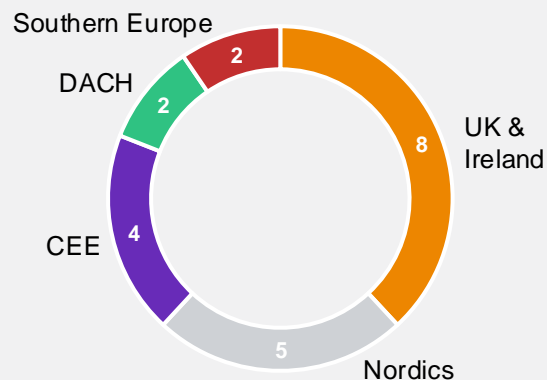
## Banking & Wealth Management

- 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
surfboard payments		Payments	€31.7m
SLING		Payments	€14m
aveni		Banking & Wealth Management	€13m

## Public Comps by vertical

Vertical	EV/Revenue	EV/EBITDA
<b>Payments</b>		
Q3 23	2.14x	24.33x
Q3 24	2.56x	20.91x
<b>Banking &amp; Wealth</b>		
Q3 23	4.60x	18.70x
Q3 24	6.24x	22.87x
<b>Insurance</b>		
Q3 23	2.16x	14.76x
Q3 24	1.84x	19.52x

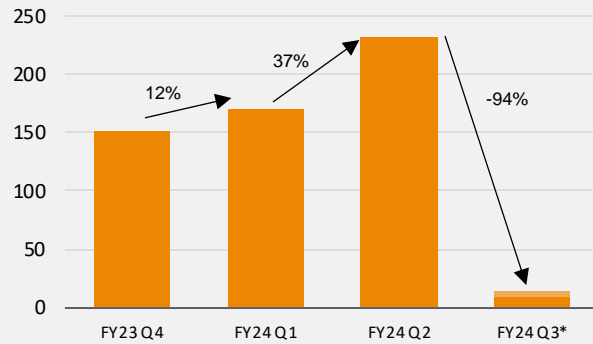
## Notable Exits

Acquirer	Acquiree	HQ	Vertical
ColCap	molo		Banking & Wealth Management
BainCapital TECH OPPORTUNITIES	finova		Banking & Wealth Management
POLLEN STREET	Keylane insurance & pension software		Insurance

## August Highlights

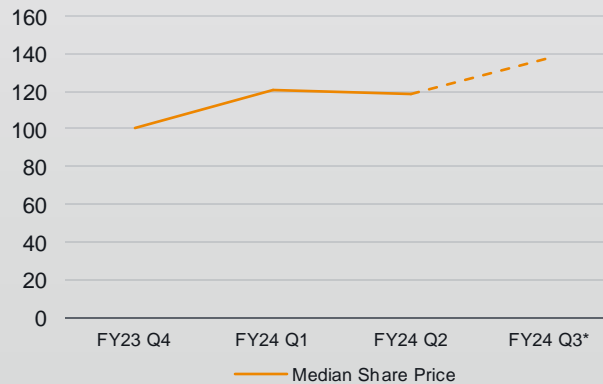
- InsurTech was shaken up this summer with **WeFox restructuring**, ex-chairman of Allianz Global Corporate and Specialty SE was appointed CEO
- The new **EU AI Act** is pre-empting a new wave of **compliance tools** for the banking & wealth sector
- The **proposal of PSD3** (Payment Services Directive) put further emphasis on open banking compliance, encouraging tech solutions that help financial institutions adhere to evolving EU rules on data sharing and security.

## Growth/VC Funding (€m)



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

## Public Market Index



\*Share price as of 31/08/2024.

## Notable Growth/VC deals in August 24

Company	Country HQ	Summary	Round Size	Round stage	Lead Investor
calingo		Home insurance & private liability digital insurance	€3.3m	Seed	Emma Ventures, Zuercher Kantonal Bank
BUENO		Neo-bank for property management including insurance	€0.59m	Seed	n/a
ilmiobroker assicurativo.it		Digital insurance platform	n/a	Venture	Ventive

## Notable Exits in August 24

Acquirer	Acquiree	Country HQ	Transaction Size	EV/Revenue	EV/EBITDA
vector8 Unlocking AI's True Value	wefox Paris-based in-house AI team		€0-20m*	n/a	n/a
POLLEN STREET	Keylane Insurance & personal software		€200m+ (LBO)*	n/a	n/a
HOLDEN	Active Quote		€20-50m*	n/a	n/a

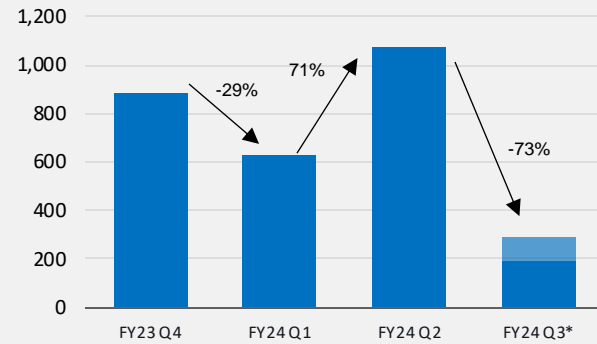
\* Estimates.

## 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	1.06x	1.00x	1.06x	1.65x	19.52x	28.03x	32.28x	n/a	33%	5%	38%
Guidewire Software	12.46x	11.52x	10.14x	9.44x	n/a	n/a	n/a	n/a	9%	-4%	5%
Hippo Enterprises	1.13x	0.84x	1.54x	0.05x	n/a	n/a	n/a	n/a	93%	-46%	47%
Lemonade	2.54x	2.36x	2.47x	2.64x	n/a	n/a	n/a	n/a	30%	-38%	-8%
PolicyBazaar	20.19x	18.47x	14.47x	10.74x	272.46x	575.24x	450.69x	n/a	39%	7%	47%
Sapiens	3.58x	3.36x	3.26x	3.04x	19.22x	18.05x	17.57x	15.73x	8%	19%	27%
SelectQuote	1.10x	0.92x	0.91x	0.85x	24.55x	20.54x	18.61x	16.38x	34%	4%	39%
DXC Technology	0.56x	0.54x	0.56x	0.62x	4.69x	4.51x	9.85x	12.33x	-5%	12%	7%
<b>Median</b>	<b>1.84x</b>	<b>1.68x</b>	<b>2.00x</b>	<b>2.15x</b>	<b>19.52x</b>	<b>20.54x</b>	<b>18.61x</b>	<b>15.73x</b>	<b>31%</b>	<b>5%</b>	<b>32%</b>

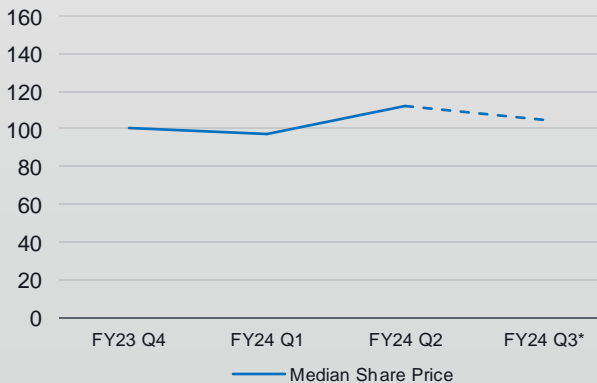
\*As of 31/08/2024.

## Growth/VC Funding (€m)



\*Figures from 31/08/2024 used quarterly estimates.  
\*\* FY24 Q2 is impacted by Abound deal (€933m of equity + debt)

## Public Market Index



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## Notable Growth/VC deals in August 24

Company	Country HQ	Summary	Round Size	Round stage	Lead Investor
<b>aveni</b>		AI platform for SMEs designed to automate tasks	€13m	Venture	Puma Private Equity, Lloyds Banking
<b>Femaleinvest</b>		Finance app empowering women through learning	€10.3m	Venture	Educapital, Rubio
<b>INVESTORAI</b>		AI-powered investment platform	€8.7m	Venture	Ashish Kacholia

## Notable Exits in August 24

Acquirer	Acquiree	Country HQ	Transaction Size	EV/Revenue	EV/EBITDA
<b>ColCap</b>	<b>molo</b>		€619m	n/a	n/a
<b>BainCapital</b>	<b>finova</b>		€500m+ (LBO)*	n/a	n/a

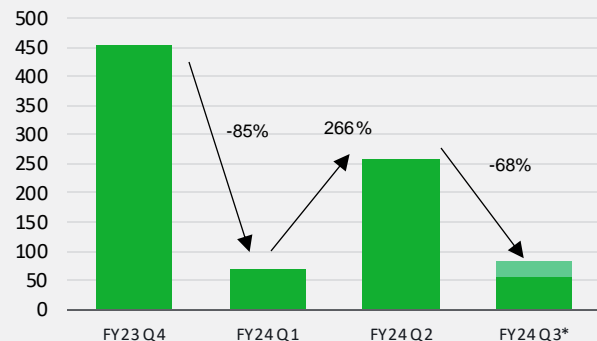
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	FY24 Q3*	FY24 Q2	FY24 Q1	FY23 Q4	FY24 Q3*	FY24 Q2	FY24 Q1	FY23 Q4	Rev YoY growth	EBITDA margin	Rule of 40
Alkami	10,87x	9,64x	8,77x	8,98x	n/a	n/a	n/a	n/a	27%	-15%	12%
Blend	6,66x	4,31x	5,60x	4,06x	n/a	n/a	n/a	n/a	-15%	-56%	-70%
Fiserv	6,38x	5,76x	6,14x	5,49x	14,76x	13,58x	14,66x	13,27x	7%	43%	50%
MeridianLink	6,86x	6,57x	5,83x	7,58x	29,06x	26,38x	24,14x	33,74x	4%	24%	28%
Pagaya	1,89x	1,70x	1,47x	1,84x	n/a	n/a	n/a	n/a	23%	-19%	4%
Robinhood	6,09x	7,29x	6,81x	3,61x	36,07x	72,23x	n/a	n/a	34%	17%	51%
Temenos Headquarters	5,40x	5,63x	5,91x	7,01x	16,68x	17,42x	17,37x	20,60x	5%	32%	37%
Forge Global	1,97x	2,01x	3,02x	6,81x	n/a	n/a	n/a	n/a	21%	-95%	-73%
<b>Median</b>	<b>6,24x</b>	<b>5,70x</b>	<b>5,87x</b>	<b>6,15x</b>	<b>22,87x</b>	<b>21,90x</b>	<b>17,37x</b>	<b>20,60x</b>	<b>14%</b>	<b>1%</b>	<b>20%</b>

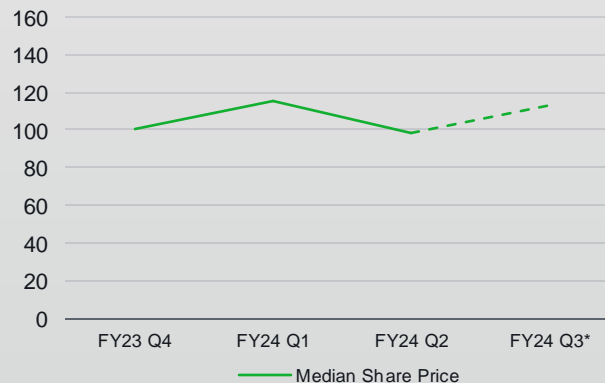
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## Growth/VC Funding (€m)



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## Notable Growth/VC deals in August 24

Company	Country HQ	Summary	Round Size	Round stage	Lead Investor
surfboard payments		Global Payments Neobank	€31.7m	Growth	n/a
SLING		Self-custody wallet to send money and convert through blockchain	€14m	Venture	Union Square Ventures, Slow Ventures
leanpay		BNPL solution focussed on CEE	€10m	Growth	BlackPeak Capital, Catalyst Romania

## Notable Exits in August 24

Acquirer	Acquiree	Country HQ	Transaction Size	EV/Revenue	EV/EBITDA
SPE CAPITAL	OMOA		€50-100m (LBO)*	n/a	n/a
SGT	Funanga		€0-20m (LBO)*	n/a	n/a

\* Estimates.

## 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	16.11x	14.26x	21.82x	5.14x	37.41x	33.78x	51.71x	43.13x	-65%	43%	-22%
Block	1.53x	1.52x	2.24x	2.10x	29.23x	40.98x	143.09x	365.22x	19%	5%	25%
Flywire	3.85x	3.35x	5.94x	5.79x	n/a	n/a	1883.74x	n/a	27%	0%	27%
Marqeta	3.34x	2.82x	2.71x	3.11x	1679.05x	n/a	n/a	n/a	-44%	0%	-44%
Payoneer	2.56x	1.75x	1.47x	1.67x	12.59x	8.02x	8.19x	11.69x	21%	20%	42%
PayPal Holdings	2.26x	1.84x	2.26x	2.24x	10.85x	8.73x	10.62x	11.30x	9%	21%	30%
Paysafe	2.17x	2.06x	2.06x	1.98x	8.03x	7.49x	7.57x	7.75x	8%	27%	35%
Wise	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	56%	33%	88%
<b>Median</b>	<b>2.56x</b>	<b>2.06x</b>	<b>2.26x</b>	<b>2.24x</b>	<b>20.91x</b>	<b>8.73x</b>	<b>31.16x</b>	<b>11.69x</b>	<b>14%</b>	<b>21%</b>	<b>28%</b>

\*As of 31/08/2024.



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Amsterdam

London

Dublin