

# Sector insights

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H1-2025

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The Office of the CFO  
MARKET PERSPECTIVES AND COVERAGE

# EXECUTIVE SUMMARY

THE OCFO SOFTWARE STACK REMAINS A PRIORITY FOR INVESTORS, UNDERPINNED BY STRONG MARKET FUNDAMENTALS AND SUSTAINED TRANSACTION MOMENTUM

1

Large global TAM

2

Strong, secular growth

3

Strong transaction activity

Global core OCFO software spend<sup>1</sup>

Year	Spend (\$bn)
2024A	\$65-75bn
2029E	\$110-125bn

Projected growth in OCFO software spend

12-14%

CAGR 2024A-2029E

LTM OCFO M&A deal activity globally

#150+

M&A deals

accountor

avidxchange

airbase

brightflag

ESKER

Fortnox

fraxion

JAGGAER

mosaic

N2F

Paycor

PENND

P&I PURE HR

SafeSend

SKSOFT

yokoy

ZUORA






Largest subcategories: Core financial management, tax management, source-to-pay, CPM, and FP&A

Backed by long-term drivers like digitization, the CFO's mandate for strategic value creation, and heightened requirements for compliance and reporting transparency.

Continued high transaction activity, driven by sustainable theme of consolidating point solutions to scale broader suite offerings.

# EXECUTIVE SUMMARY

SUBSTANTIAL GREENFIELD MARKETS COMBINED WITH HIGHLY APPEALING SECULAR TAILWINDS DRIVING ADOPTION AND DEMAND FOR OFFICE OF THE CFO SOLUTIONS

1		<b>Commoditization in core finance and close</b>	Core accounting, close, and consolidation tools are increasingly viewed as standardized, driving price pressure and bundling strategies. Vendors are seeking differentiation through adjacent module expansion (e.g., tax, FP&A, treasury) and deeper integration into enterprise workflows.
2		<b>Compliance &amp; regulation reshaping the stack</b>	Regulatory shifts (e.g., OECD Pillar Two, EU VAT mandates, CSRD) are accelerating adoption of tax, ESG, and entity governance tools. These workflows are evolving from manual processes into software-driven functions, offering embedded compliance, reporting efficiency, and audit readiness.
3		<b>Horizontal integration driving vendor consolidation</b>	Buyers prefer fewer, broader platforms that reduce system fragmentation, streamline procurement, and enable cross-module analytics. This is fueling M&A across categories such as FP&A, close, AR and Treasury, and broader mid-market ERP and HR suites.
4		<b>Strategic segments powering growth upside</b>	FP&A, benefiting from increasing demand for agile scenario planning and integrated performance management, and equity management, rapidly scaling with continued private markets expansion and increasingly complex cap tables, emerging as mission critical, SaaS-native tools.
5		<b>AI as a new adoption catalyst across the stack</b>	AI is no longer a feature but a fundamental driver of adoption. In high-judgment workflows like FP&A, treasury, and tax, GenAI and ML are enabling faster insights, smart commentary, and forecasting support. Vendors embedding AI natively are gaining traction, with buyers now expecting AI-enabled workflows as baseline rather than premium.

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# INTRODUCTION TO **DRAKE STAR** PARTNERS



# DRAKE STAR AT A GLANCE

LEADING GLOBAL TECH INVESTMENT BANKING BOUTIQUE



## 100% TECH-FOCUSED

Deep sector expertise in  
8 core tech verticals



## LEADER IN MID-MARKET TECH INVESTMENT BANKING

Top ranked global  
boutique investment bank



## INDEPENDENT AND PARTNER-LED

Partner-owned  
investment bank with  
an entrepreneurial team



## EXTENSIVE M&A AND CORPORATE FINANCE EXECUTION SKILLS

Executing wide range of  
transactions including  
strategic M&A, sponsor  
buyouts / recaps, private  
placements, and carve  
out deals



## GLOBAL REACH COMBINED WITH LOCAL PRESENCE

One of the largest tech  
teams with over 100  
professionals in the US,  
Europe and Middle East



## STRONG TRANSACTION TRACK RECORD

Over 500 transactions  
completed incl. numerous  
landmark tech deals



## RECOGNIZED BY THE INDUSTRY

- 10x investment bank  
of the year
- 45x deal of the year
- 6x leadership awards

# DRAKE STAR IS A PARTNER-LED GLOBAL INVESTMENT BANK, 100% TECH FOCUSED

Full-suite advisory offering

► M&A advisory    ► Growth financings

Deep expertise across 8 core tech sub-sectors

B2B Software	Fin Tech	HR Tech	Digital Services
Industrial Tech	Mobility & Sustainability	Consumer & Retail Tech	Digital Media

Leading track-record in global technology deals

► 500+ transactions completed



>60%  
of our sell-sides were founder exits



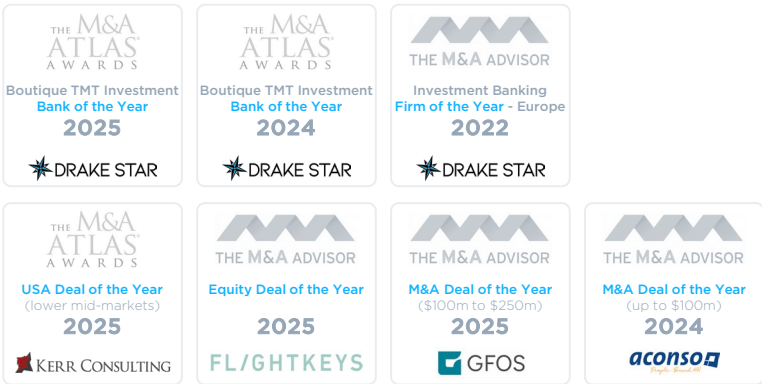
>70%  
of our deals were cross-border

Global reach with deep local execution expertise and relationships



Trusted partner with an award-winning industry recognition

10x  
Bank of the Year



45x  
Deal of the Year



# A CROSS-SECTORAL OCFO TEAM WITH DEEP DOMAIN EXPERTISE AND CONNECTIVITY

THE DRAKE STAR TEAM HAS DEEP EXPERTISE ACROSS OCFO AND RELEVANT ADJACENT AREAS - TOGETHER WITH STAX, WE PROVIDE DIFFERENTIATED PERSPECTIVES AND LEVERAGE AN EXTREMELY BROAD NETWORK GLOBALLY

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# DRAKE STAR HAS A PROVEN TRACK RECORD ACROSS THE OCFO SOFTWARE STACK

## THE TEAM ADVISED ON SOME OF THE MOST PROMINENT TRANSACTIONS ACROSS THE OCFO SOFTWARE LANDSCAPE

Pure-play OCFO advisory track-record						Broader offerings / adjacent to OCFO ecosystem		
 ACQUISITION BY <sup>1</sup>  Financial management / procure-to-pay	 INITIAL PUBLIC OFFERING <sup>1</sup> Financial management / CPM	 FINANCING <sup>1</sup> Financial management / ERP	 STRATEGIC INVESTMENT IN <sup>1</sup>  Financial management / treasury & cash	 SALE TO  Financial management / CPM	 SALE TO  Financial management / CPM	 SALE TO  Financial management / CPM integration	 MAJORITY RECAP BY  Data integration incl. SCM and AR/billing tools	 SALE OF IntelliCorp TO  A PORTFOLIO COMPANY OF  Corporate secretary / GRC
 SALE TO  Financial management / treasury & cash	 SALE TO  Financial management / CPM	 PRIVATE PLACEMENT  Financial management / AP and invoice automation	 MAJORITY RECAP BY  Employee management / payroll & compensation	 MAJORITY RECAP BY  Employee management / workforce planning	 SALE TO  Employee management / payroll & compensation	 SALE TO <sup>1</sup>  Corporate secretary / GRC	 INITIAL PUBLIC OFFERING <sup>1</sup> SCM SaaS with financial modules	 STRATEGIC INVESTMENT BY  Business process mgmt. SaaS / GRC
 SALE TO <sup>1</sup>  Employee management / payroll & compensation	 MAJORITY RECAP BY  Employee management / workforce planning	 MAJORITY RECAP BY  Corporate secretary / document management	 SALE TO <sup>1</sup>  Corporate secretary / GRC	 SALE TO  Corporate secretary / GRC / KYX	  STRATEGIC INVESTMENT IN <sup>1</sup>  Corporate secretary / GRC	 COMBINATION WITH  Banking APIs / smart data	 SALE TO  Digital B2B insurance broker	 PRIVATE PLACEMENT  Digital B2B insurance broker

*This report is focused on OCFO core functions.  
Adjacent functions will be covered in a following issue.*

# OVERVIEW OF THE “OFFICE OF THE CFO” SOFTWARE LANDSCAPE

# 2

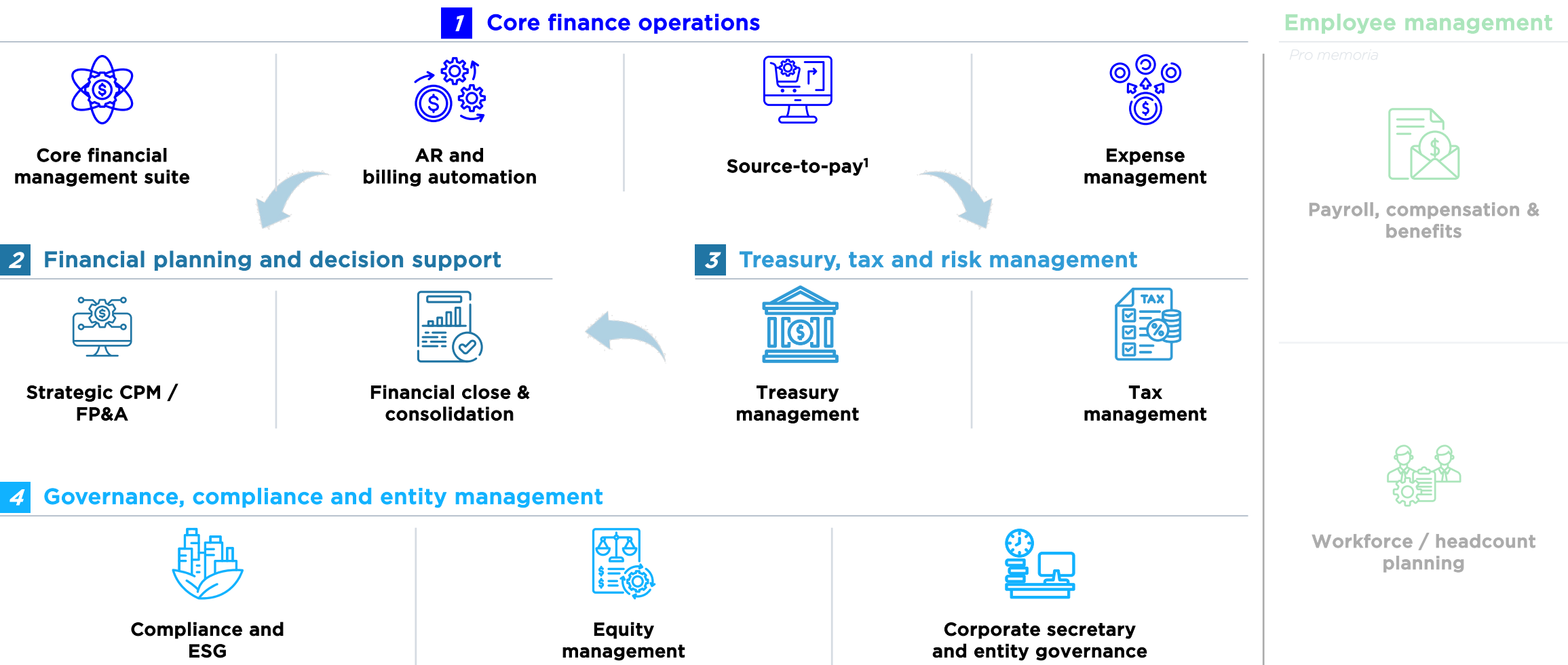
# SETTING THE SCENE – OCFO CORE FUNCTIONS

CORE CFO FUNCTIONS SPAN PLANNING, OPERATIONS, TREASURY, RISK AND GOVERNANCE

1		<b>Core finance operations</b>	<ul style="list-style-type: none"><li>▪ Manages the day-to-day processing, recording, and control of all financial transactions</li><li>▪ This includes accounts payable and receivable, expense management, payroll processing, procurement workflows, and the monthly and annual close</li><li>▪ Provides the foundational financial data and ensures accuracy, efficiency, and compliance across core processes</li></ul>
2		<b>Financial planning and decision support</b>	<ul style="list-style-type: none"><li>▪ Oversees budgeting, forecasting, scenario analysis, and performance reporting to support strategic and operational decision-making</li><li>▪ Delivers actionable insights into revenue, costs, profitability, and cash flow to guide resource allocation and drive business value</li></ul>
3		<b>Treasury, tax and risk management</b>	<ul style="list-style-type: none"><li>▪ Responsible for cash and liquidity management, funding strategy, tax compliance and optimization, and financial risk controls</li><li>▪ Protects the balance sheet, ensures access to capital, and safeguards the organization against financial exposures and regulatory risks</li></ul>
4		<b>Governance, compliance and entity management</b>	<ul style="list-style-type: none"><li>▪ Covers regulatory reporting, corporate governance, legal entity administration, equity and cap table management, and audit coordination</li><li>▪ Maintains transparency, enforces accountability, and ensures the organization meets all legal and stakeholder obligations</li></ul>

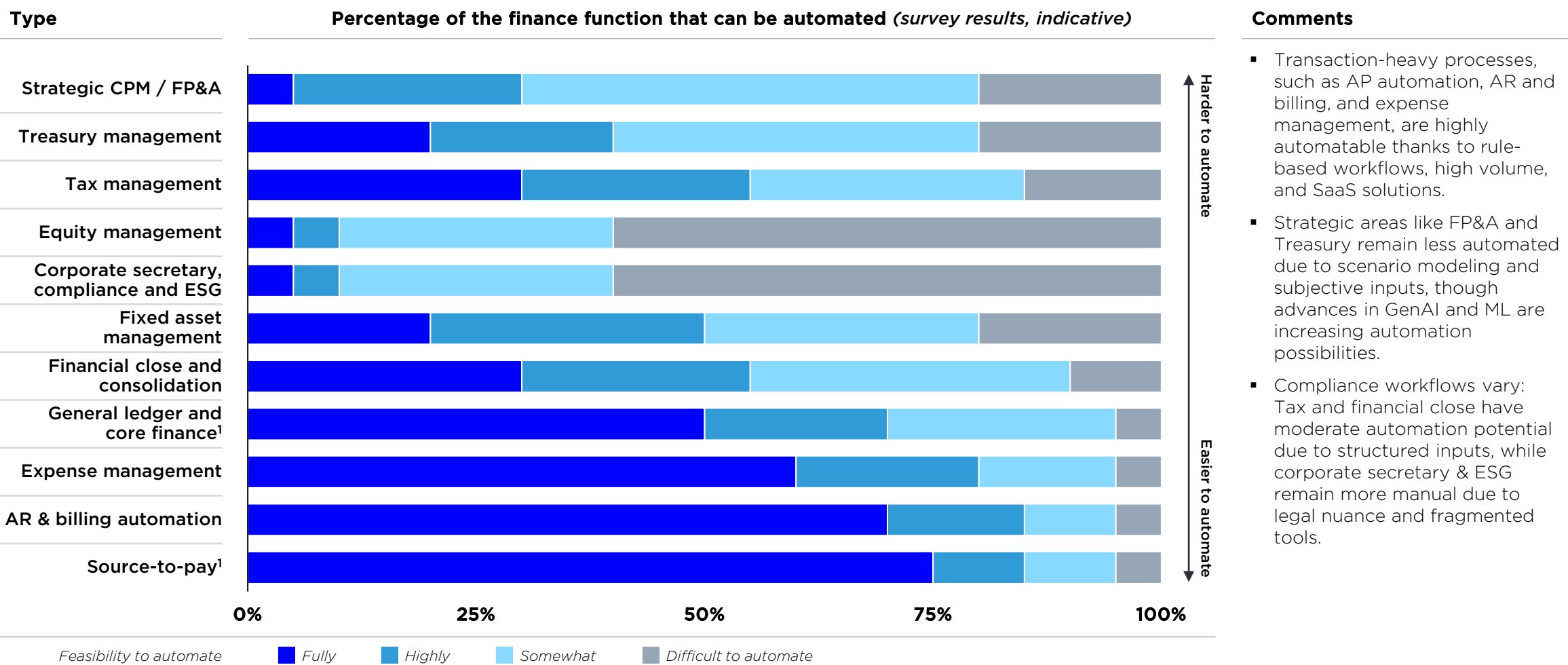
# THERE ARE SPECIALIZED TOOLS WITHIN EACH CORE FUNCTION

CFO SOFTWARE DELIVERS TARGETED SOLUTIONS TO ENABLE AUTOMATION, INSIGHT, AND STRATEGIC CONTROL ACROSS CORE FINANCE WORKFLOWS



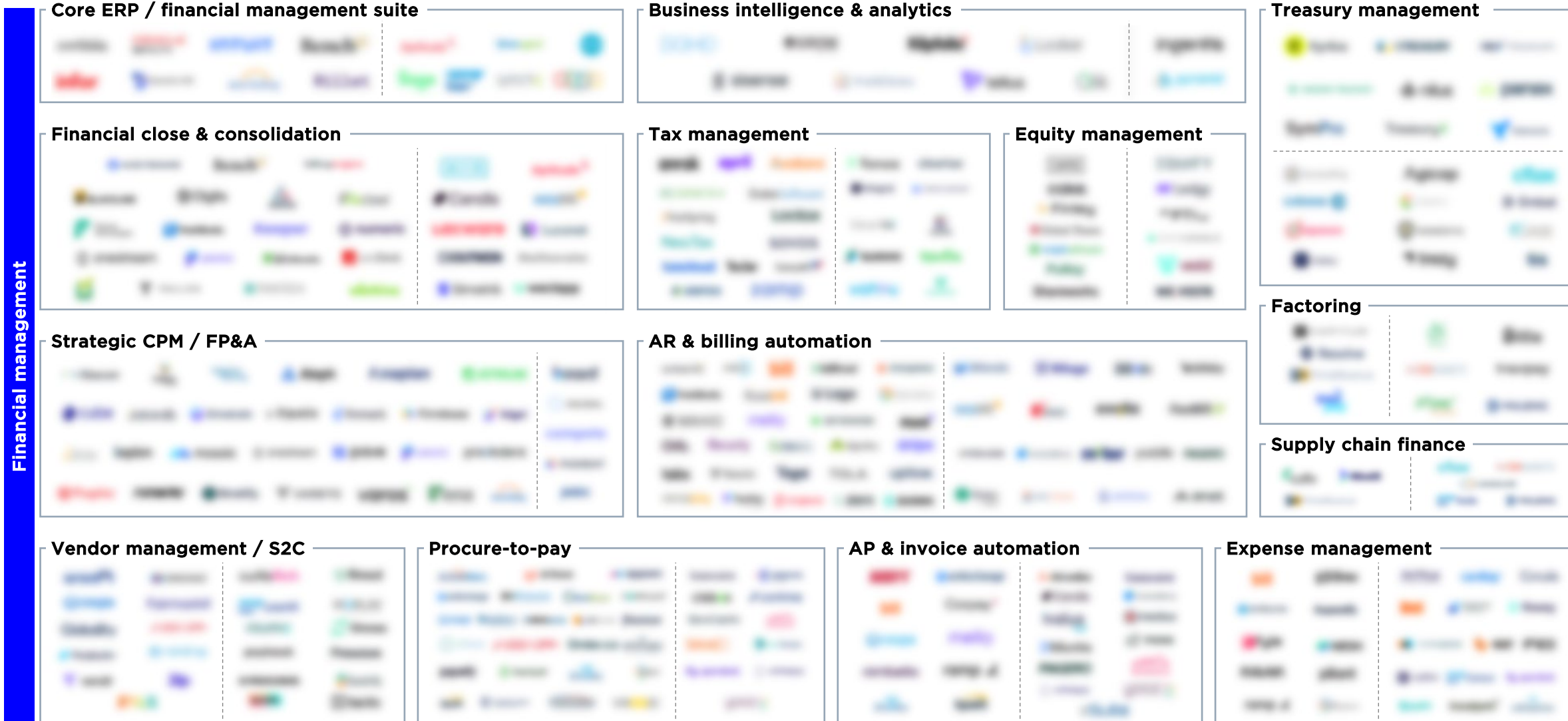
# AUTOMATION POTENTIAL VARIES ACROSS CFO FUNCTIONS

WIDESPREAD AUTOMATION POTENTIAL ACROSS CFO FUNCTIONS, OFFERING GAINS IN OPERATIONAL EFFICIENCY AND TANGIBLE COST SAVINGS; FUNCTIONS SUCH AS AP AND AR ARE EASIER TO AUTOMATE

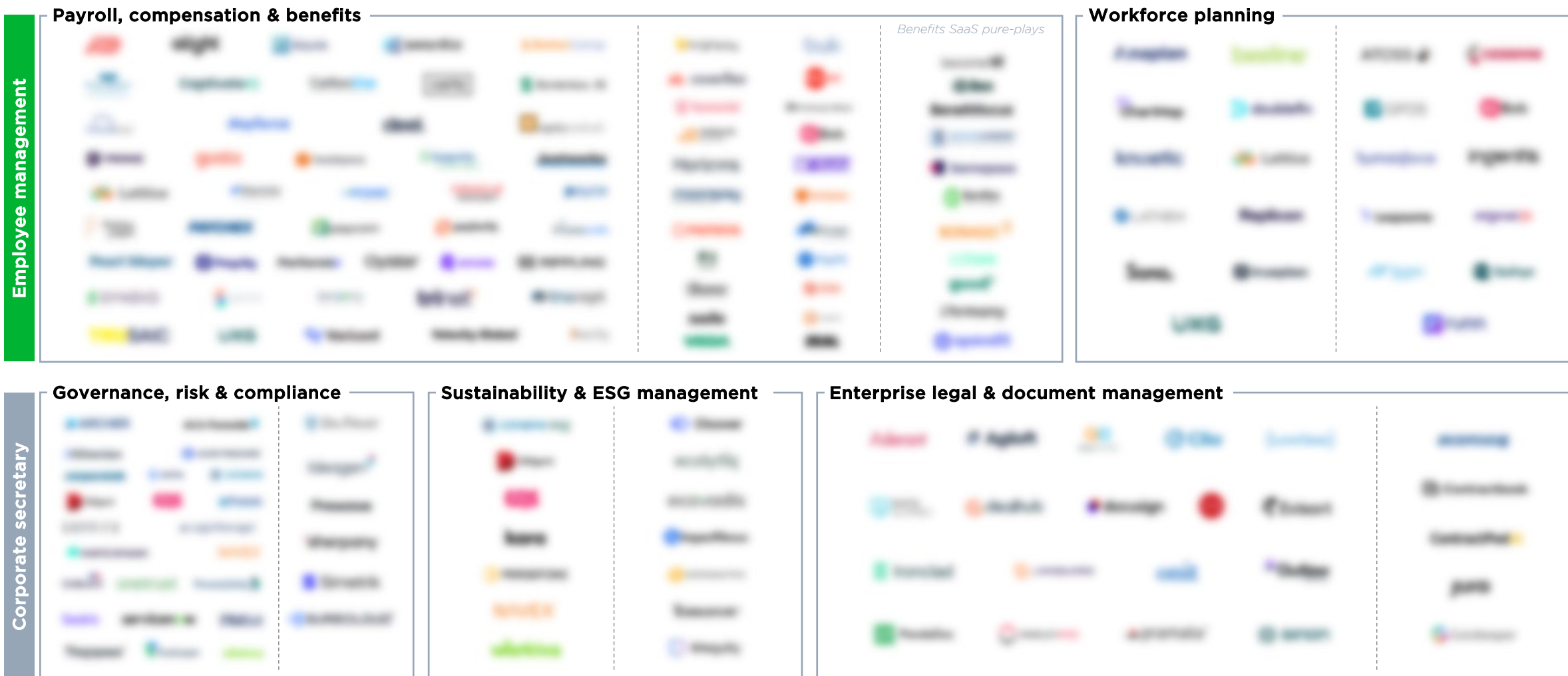




# THE OCFO SOFTWARE LANDSCAPE - MODERN CFOs CAN LEVERAGE A BROAD TOOLKIT (1/2)








# THE OCFO SOFTWARE LANDSCAPE – MODERN CFOs CAN LEVERAGE A BROAD TOOLKIT (2/2)



# TRENDS DRIVING CONSOLIDATION

TODAY, THE LANDSCAPE OF OCFO POINT SOLUTIONS IS FRAGMENTED. HOWEVER, RAPID CONSOLIDATION TAKING PLACE IN THIS SPACE, DRIVEN BY A NUMBER OF TRENDS

Trend	Functionalities covered
 <b>Buyer preferences are driving consolidation</b>	<ul style="list-style-type: none"><li>▪ CFOs increasingly want unified platforms rather than fragmented point solutions.</li><li>▪ Integrated suites that combine FP&amp;A, close, reporting, treasury, and tax improve data consistency, simplify workflows, and reduce the burden of managing multiple vendors. This preference drives demand for broader platforms.</li></ul>
 <b>Large platforms are expanding scope</b>	<ul style="list-style-type: none"><li>▪ Leading vendors are actively broadening their product coverage to offer end-to-end solutions.</li><li>▪ By integrating adjacent capabilities, they deliver more value per customer, embed themselves deeper into finance workflows, and differentiate through completeness rather than single-function superiority. Larger platforms also leverage broader datasets to unlock AI/ML capabilities—creating self-reinforcing data moats and deepening competitive edge.</li></ul>
 <b>Private equity sponsors are accelerating roll-ups</b>	<ul style="list-style-type: none"><li>▪ PE firms see the OCFO market as ideally suited for buy-and-build strategies: high recurring revenues, sticky customers, clear cross-sell potential, and fragmented sub-segments.</li><li>▪ Hence, sponsors are consolidating niche players to build platforms with strong unit economics and defensible moats.</li></ul>
 <b>Cloud migration is a catalyst</b>	<ul style="list-style-type: none"><li>▪ As organizations replace legacy on-premise systems, they often use the opportunity to rationalize and consolidate overlapping tools.</li><li>▪ Modern cloud-native platforms frequently cover multiple use cases, making it easier for CFOs to collapse disparate workflows into a single solution.</li></ul>
 <b>Vendor economics favor scale</b>	<ul style="list-style-type: none"><li>▪ Larger platforms benefit from lower cost of customer acquisition (expansion into adjacent modules), higher net retention (multi-module customers churn less), and superior data and AI capabilities that require broad data sets across functions.</li><li>▪ These economic advantages reinforce further consolidation.</li></ul>

# KEY DECISION MAKING FOR SOFTWARE PURCHASES IS CHANGING

CONSOLIDATION TRENDS ARE BEING MAGNIFIED BY IT DECISION MAKERS GAINING INFLUENCE, AND FINANCE DECISION MAKERS SEEKING MORE ‘STRATEGIC’ SOLUTIONS

Stakeholder	Relevance to decision-making		Key needs and preferences
	Importance	Trend	
Finance decision-makers (e.g., CFO, director / VP of finance)	 Very high	Steady	<ul style="list-style-type: none"><li>▪ Focused on workflow visibility, scenario planning, and reporting accuracy to support forward-looking decisions.</li><li>▪ Value strong FP&amp;A and Consolidation capabilities to act as a strategic advisor to the business.</li><li>▪ Prefer tools with real-time data, intuitive dashboards, and the ability to support cross-functional collaboration.</li></ul>
IT decision-makers (e.g., CTO, CIO)	 High	Gaining importance	<ul style="list-style-type: none"><li>▪ Prioritize system consolidation and ERP-native integration to reduce fragmentation and long-term cost of ownership.</li><li>▪ Seek scalability, cybersecurity readiness, and architecture fit (e.g., cloud-first, API-rich).</li><li>▪ Favor vendors that can demonstrate low implementation friction and enterprise-grade support.</li></ul>
Accounting decision-makers (e.g., CAO, VP controller)	 Moderate	Losing importance	<ul style="list-style-type: none"><li>▪ Seek fit-for-purpose tools (e.g., close, reconciliation, journal entry) that streamline compliance-heavy workflows.</li><li>▪ Require auditability, control accuracy, and support for multi-entity complexity.</li><li>▪ Favor vendors that integrate well with multiple ERPs and reduce spreadsheet dependence.</li></ul>
Users / managers (e.g., analysts, associates, managers)	 Moderate	Steady	<ul style="list-style-type: none"><li>▪ Prioritize ease of use, task automation, and process standardization.</li><li>▪ Look for tools with minimal training curve and high task completion velocity.</li><li>▪ Their feedback can influence renewals and expansion, particularly in usage-based pricing environments.</li></ul>

# A NUMBER OF THEMES ARE DRIVING OCFO CONSOLIDATION

CONSOLIDATORS OPERATE ON HIGH CONVICTION THESES, INTEGRATING POINT SOLUTIONS TO BROADEN SUITE CAPABILITIES AND HOLISTICALLY ADDRESS THE BROADER CFO DIMENSION

Theme	Description	Example deal activity
Core financials and ERP consolidation	<ul style="list-style-type: none"><li>Vendors that started with core accounting/ERP expanding into adjacent finance modules (payroll, HR, etc.) to own the mid-market ERP layer.</li></ul>	<div><div> Acquired Intacct and Fairsail to deepen ERP and HR.</div><div> Serial acquirer across ERP, payroll, and accounting.</div><div> PE-backed roll-up of ERP tools.</div></div>
FP&A + financial close + consolidation	<ul style="list-style-type: none"><li>Vendors combining planning, consolidation, close, and reporting to create unified financial management platforms.</li></ul>	<div><div> Acquired Rimilia to expand from close to AR automation.</div><div> Rolling up FP&amp;A capabilities.</div></div>
AP, AR, and spend management	<ul style="list-style-type: none"><li>Vendors assembling end-to-end procure-to-pay and invoice-to-cash platforms by acquiring adjacent AP/AR and expense capabilities.</li></ul>	<div><div> Added Bellin (treasury) and Yapta (travel).</div><div> Consolidating e-invoicing and AP automation.</div><div> Acquired Wax Digital to expand procurement.</div></div>
Treasury management	<ul style="list-style-type: none"><li>Specialist treasury vendors expanding into cash forecasting, FX risk, and bank connectivity to offer broader treasury cloud solutions.</li></ul>	<div><div> Acquired FX risk tools and expanding treasury scope.</div><div> Broadened treasury capabilities pre Coupa acquisition.</div></div>
Compliance, ESG, and GRC	<ul style="list-style-type: none"><li>Vendors moving beyond financial reporting into ESG disclosures, compliance automation, and governance workflows.</li></ul>	<div><div> Expanding into ESG and GRC.</div><div> Consolidating risk, compliance, and board governance.</div><div> Building ESG ratings and compliance platform.</div></div>
Equity / cap table management	<ul style="list-style-type: none"><li>Vendors consolidating equity administration, cap table management, and shareholder engagement capabilities to serve private company ownership complexity.</li></ul>	<div><div> Acquired Capdesk to grow in Europe.</div><div> Rapidly scaling/consolidating the equity mgmt. category.</div></div>

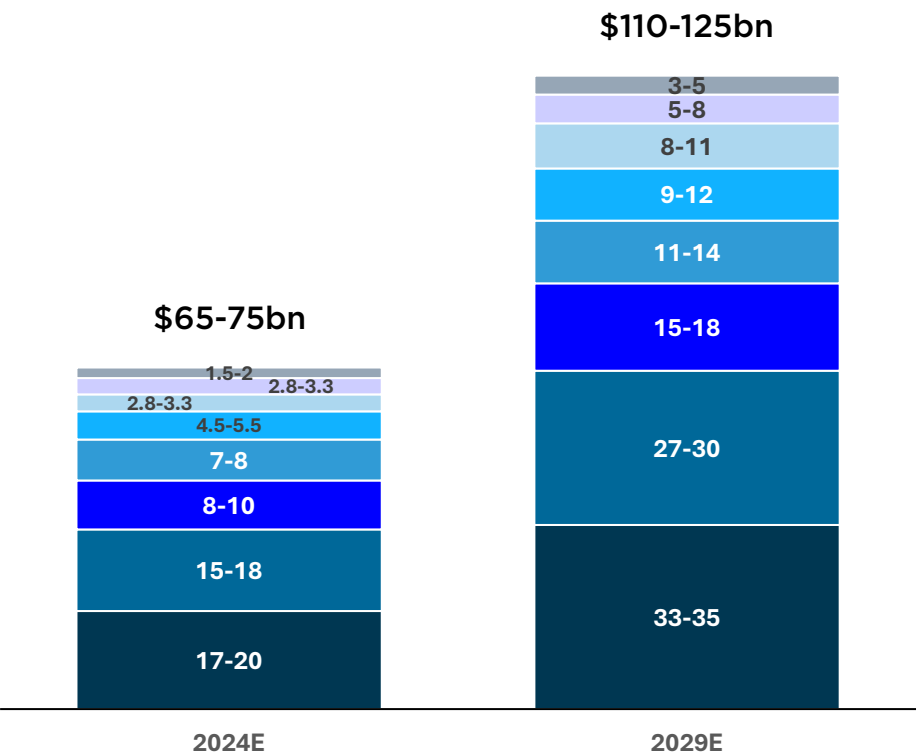


# THE GLOBAL OCFO SOFTWARE MARKET IS GROWING

OCFO SOFTWARE IS A LARGE AND DYNAMICALLY GROWING HORIZONTAL MARKET, WITH INCREASING NEED FOR AUTOMATION, EFFICIENCY AND COMPLIANCE REQUIREMENTS AS SECULAR DEMAND DRIVERS

## Global office of the CFO software market size

Total addressable market, US\$bn














Type	CAGR (24E-29E)
OCFO overall	12%-14%
Treasury management	~12%
AR & billing automation	~10%
Equity management	~20%
Expense management	~12%
Core financial suite	~8%
CPM, close and FP&A	~14%
Source-to-pay	~14%
Tax management	~12%

## Comments

- **Core suites dominate but lag in growth:** Still the largest by size, but expanding slowly (<10%) due to legacy systems and slow enterprise upgrades.
- **Modernization drives ops finance:** Treasury, tax, and expense tools are growing at low-teens CAGR, fueled by efficiency upgrades, compliance shifts, and automation.
- **AI fuels source-to-pay and FP&A:** Categories benefit from AI in forecasting, invoicing, and budgeting—boosting adoption and stack integration.
- **Equity management breaks out (~20% CAGR):** Growth driven by private market activity, complex compensation, and transparency demands.








# ADOPTION LEVELS OF OCFO SOFTWARE VARIES ACROSS CATEGORIES

ADOPTION IS HIGHEST IN CORE ACCOUNTING AND TRANSACTION-HEAVY WORKFLOWS, WHILE STRATEGIC AND COMPLIANCE-LED TOOLS REMAIN EARLIER IN THEIR PENETRATION CURVE

Category	Adoption levels	Category	Adoption levels	Comments
	<i>Indicative</i>		<i>Indicative</i>	
Source-to-pay		Treasury management		<ul style="list-style-type: none"><li>• <b>Adoption strongest in core accounting and transaction-heavy areas:</b> High penetration of core financial management, Expense, and AR/AP solutions reflects well-defined workflows and widespread SaaS maturity.</li><li>• <b>Strategic &amp; compliance functions show moderate uptake:</b> Tools like FP&amp;A platforms and financial close are gaining traction but remain partially reliant on manual processes and Excel workarounds, especially in mid-market. These categories are also at the forefront of AI innovation, with use cases emerging in scenario modelling, commentary generation, and close acceleration.</li><li>• <b>Governance and ESG solutions remain nascent:</b> Adoption of compliance &amp; ESG and entity governance is limited, though rising regulatory pressure (e.g., CSRD, Pillar Two) is accelerating interest.</li><li>• <b>Fragmentation and localization limit adoption in treasury, tax, and equity management:</b> Varying country-specific requirements, data complexity, and legacy systems continue to hinder full-scale rollouts of advanced tools in these categories. AI is beginning to support niche use cases (e.g., through anomaly detection, forecasting), but maturity levels remain mixed.</li></ul>
AR & billing automation		Tax management		
Core financial management suite		Equity management		
Expense management		Corporate secretary / entity governance		
Strategic CPM / FP&A		Compliance & ESG		
Financial close & consolidation				







# ADOPTION BENEFITS FROM SEVERAL SUSTAINABLE DRIVERS (1/2)

THERE ARE A NUMBER OF MACRO, MICRO AND PRODUCT-LEVEL TAILWINDS DRIVING ADOPTION AND GROWTH IN THE OCFO SOFTWARE MARKET

Category		Commentary
Macro drivers	 <b>Regulatory &amp; policy pressures</b>	<ul style="list-style-type: none"><li>▪ OECD Pillar II, EU VAT reforms, and digitized tax mandates trigger upgrades in tax, reporting, and e-invoicing.</li><li>▪ Heightened ESG disclosure requirements and data residency laws (e.g., GDPR) are accelerating migration away from legacy solutions.</li></ul>
	 <b>Broader enterprise digitization</b>	<ul style="list-style-type: none"><li>▪ Finance leaders are driving end-to-end transformation spanning ERP, HR, and CRM, favoring cloud-native, API-first architectures.</li><li>▪ Rising automation maturity in adjacent functions is pulling finance workflows into broader modernization programs.</li></ul>
	 <b>Economic volatility &amp; cost pressure</b>	<ul style="list-style-type: none"><li>▪ Inflation and macro uncertainty are sharpening CFO focus on cash visibility and planning.</li><li>▪ Cost optimization mandates are driving platform consolidation and prioritization of automation that delivers measurable productivity gains.</li></ul>
Micro drivers	 <b>Increasing demand for real-time insights</b>	<ul style="list-style-type: none"><li>▪ Teams expect real-time dashboards, predictive forecasting, and scenario modeling capabilities.</li><li>▪ Self-service analytics and finance data democratization are now table stakes for modern operations.</li></ul>
	 <b>Vendor consolidation and suite rationalization</b>	<ul style="list-style-type: none"><li>▪ Buyers are centralizing around unified platforms combining close, reconciliation, FP&amp;A, and reporting.</li><li>▪ This reduces procurement complexity, integration costs, and supports strategic vendor partnerships.</li></ul>
	 <b>Changing workforce expectations</b>	<ul style="list-style-type: none"><li>▪ Finance talent demands modern, intuitive, collaborative tools—Excel alone is no longer sufficient.</li><li>▪ Cloud-native solutions that enable remote workflows and seamless approvals are increasingly preferred..</li></ul>
	 <b>Proliferation of mid-market use cases</b>	<ul style="list-style-type: none"><li>▪ Mid-market firms are accelerating adoption as solutions become simpler to deploy and scale.</li><li>▪ Modular pricing and easier onboarding are unlocking significant new demand.</li></ul>

# ADOPTION BENEFITS FROM SEVERAL SUSTAINABLE DRIVERS (2/2)

COMMODITIZATION OF CORE TOOLS IS DRIVING VENDOR DIFFERENTIATION THROUGH EMBEDDED AI-LED INTELLIGENCE, MODULAR PRICING, AND SEAMLESS INTEGRATION WITH ENTERPRISE SYSTEMS

Category		Commentary
AI-led drivers	 <b>AI-led automation across finance workflows</b>	<ul style="list-style-type: none"><li>▪ GenAI and ML are unlocking next-gen use cases across reconciliation, anomaly detection, invoice coding, and tax narrative generation.</li><li>▪ Finance teams are beginning to embrace GenAI for forecasting, budget variance commentary, and close acceleration.</li></ul>
	 <b>Shift from feature to platform enabler</b>	<ul style="list-style-type: none"><li>▪ AI is no longer an isolated tool—it's increasingly embedded across platforms, shaping roadmaps and enabling continuous learning loops.</li><li>▪ Vendors with proprietary models and AI-native architecture are seeing stronger engagement and pricing power.</li></ul>
	 <b>Efficiency and productivity uplift</b>	<ul style="list-style-type: none"><li>▪ AI is driving faster time-to-insight, shortening manual processes, and reducing FTE burdens in areas like reporting, reconciliation, and treasury.</li></ul>
Product level drivers	 <b>Commoditization of financial close tools</b>	<ul style="list-style-type: none"><li>▪ Traditional close and reconciliation solutions are now seen as largely undifferentiated.</li><li>▪ Vendors are bundling consolidation, audit readiness, and intercompany modules, with differentiation shifting to embedded analytics and workflow automation.</li></ul>
	 <b>Shift toward modular, usage-based pricing</b>	<ul style="list-style-type: none"><li>▪ Clients prefer incremental adoption—starting with a single module and expanding over time.</li><li>▪ Usage-based and seat-based billing models align cost to value and enable expansion-led monetization.</li></ul>
	 <b>Integration and interoperability</b>	<ul style="list-style-type: none"><li>▪ Open APIs and pre-built connectors to ERP, banks, and HR systems are now critical selection criteria.</li><li>▪ Seamless interoperability determines speed of deployment and total cost of ownership.</li></ul>

# KEY INVESTOR CONSIDERATIONS

INVESTORS MUST BALANCE DEMAND SIGNALS FROM REGULATORY CATALYSTS, AI MOMENTUM AND PRICING EVOLUTION AGAINST ERP COMPETITION RISKS IN A FRAGMENTED LANDSCAPE

Key investment highlights	Key areas of potential concern
<div><b>Large and resilient addressable market:</b> The OCFO software landscape benefits from stable underlying demand across critical finance workflows (accounting, FP&amp;A, tax, treasury), which remain essential regardless of macro cycles. Increased complexity, regulatory change, and digitization continue to drive long-term tailwinds.</div>	<div><b>ERP-native competition:</b> Large ERP providers (e.g., SAP, Oracle) are embedding more advanced capabilities (e.g., consolidation, analytics), compressing standalone solution differentiation and raising integration barriers.</div>
<div><b>Growth supported by regulatory catalysts:</b> Frameworks such as OECD Pillar Two and EU VAT reforms are accelerating upgrades to tax, reporting, and compliance systems, creating urgency for modern, automated platforms.</div>	<div><b>Macro uncertainty slowing buying decisions:</b> Lengthening deal cycles and hesitancy to invest in add-on solutions have emerged, especially among mid-market buyers prioritizing near-term cash flow preservation.</div>
<div><b>Platform expansion and pricing evolution:</b> Vendors are increasingly broadening from point solutions to modular platforms with usage-based pricing, driving stronger cross-sell, higher retention, and deeper integration into customer workflows.</div>	<div><b>Fragmented and crowded market landscape:</b> Europe alone has over 20,000 OCFO-focused SaaS vendors, making sustainable differentiation and customer acquisition costly, particularly for smaller providers without clear scale or brand.</div>
<div><b>AI as a strategic enabler:</b> AI-driven automation is showing traction in rule-based areas (anomaly detection, invoice coding), supporting efficiency gains and potential margin uplift for vendors with credible capabilities.</div>	<div><b>Limited adoption among smaller companies:</b> Many SMBs and non-regulated firms perceive less need for advanced OCFO tools, reducing the total addressable market outside larger enterprises and regulated sectors.</div>
<div><b>Criticality of workflows underpinning budget resilience:</b> Core functions (accounting, FP&amp;A, tax) consistently rank as the highest priority areas of spend, reinforcing budget stickiness even as adjacent workflows face scrutiny.</div>	<div><b>Reliance on channel partners and ERP ecosystems:</b> In the enterprise segment, ~40% of vendor selection flows through ERP recommendations, consultants, and value-added resellers, creating dependency on indirect channels for growth.</div>



**VALUATION TRENDS &  
DEAL ACTIVITY  
ACROSS OCFO**

3

# OCFO VALUATION AND FINANCING ACTIVITY DASHBOARD

CONSTRUCTIVE DEAL AND FUNDING ENVIRONMENT FOR OCFO COMPANIES IN LTM PERIOD, EVIDENCED BY ROBUST VALUATION MULTIPLES OBSERVED ACROSS M&A AND STOCK MARKETS, AND A NUMBER OF PROMINENT FINANCINGS

Topic	Financial management		Employee management	
<div><div>/</div><div>Public peers<sup>1</sup> (EV / revenue 2025E)</div></div>	<div>Public peer group</div> <div><div><div>Aptitude</div><div>avidxchange</div><div>bill</div><div>BLACKLINE</div><div>Expensify</div><div>Fortnox</div><div>free</div><div>INTUIT</div><div>onestream</div><div>Sage</div><div>SIDETRADE</div><div>VERTEX</div><div>workiva</div><div>xero</div></div></div> <div><div>EV / revenue 2025E<sup>1</sup></div><div><div>75<sup>th</sup> percentile8.6x</div><div>Median6.3x</div><div>25<sup>th</sup> percentile4.9x</div></div></div>	<div>Public peer group</div> <div><div><div>ADP</div><div>dayforce</div><div>Edenred</div><div>PAYCHEX</div><div>paycom</div><div>paylocity</div><div>trinet</div></div></div> <div><div>EV / revenue 2025E<sup>1</sup></div><div><div>75<sup>th</sup> percentile6.1x</div><div>Median6.0x</div><div>25<sup>th</sup> percentile5.2x</div></div></div>		
<div><div>//</div><div>Precedent M&amp;A (LTM period deals)</div></div>	<div>Selection</div> <div><div><div>Acumatica</div><div>airbase</div><div>avidxchange</div><div>brightflag</div><div>ESKER</div><div>Fortnox</div><div>JAGGAER</div><div>melio</div><div>ZUORA</div></div></div> <div><div>EV / revenue LFY</div><div><div>75<sup>th</sup> percentile21.1x</div><div>Median12.0x</div><div>25<sup>th</sup> percentile7.7x</div></div></div>	<div>Selection</div> <div><div><div>AbsenceSoft</div><div>accountor</div><div>assemble</div><div>benify</div><div>HUMI</div><div>Paycor</div><div>P&amp;I PURE HR</div><div>shiftboard</div><div>workforce SOFTWARE</div></div></div> <div><div>EV / revenue LFY</div><div><div>75<sup>th</sup> percentile10.0x</div><div>Median6.6x</div><div>25<sup>th</sup> percentile5.8x</div></div></div>		
<div><div>///</div><div>Funding volume (LTM period deals)</div></div>	<div>Selection</div> <div><div><div>OUTMIN</div><div>Rillet</div><div>TRULLION</div><div>Integral</div><div>Brex</div><div>certinia</div><div>finout</div><div>Digits</div><div>Keeper</div><div>ivalua</div></div></div> <div><div>LTM</div><div><div>No. of deals365</div><div>Volume raised (\$bn)3.6</div></div></div>	<div>Selection</div> <div><div><div>awardco</div><div>gusto</div><div>deel.</div><div>FRINGE</div><div>cloudpay</div><div>PAPAYA</div><div>Kota</div></div></div> <div><div>LTM</div><div><div>No. of deals321</div><div>Volume raised (\$bn)2.2</div></div></div>		

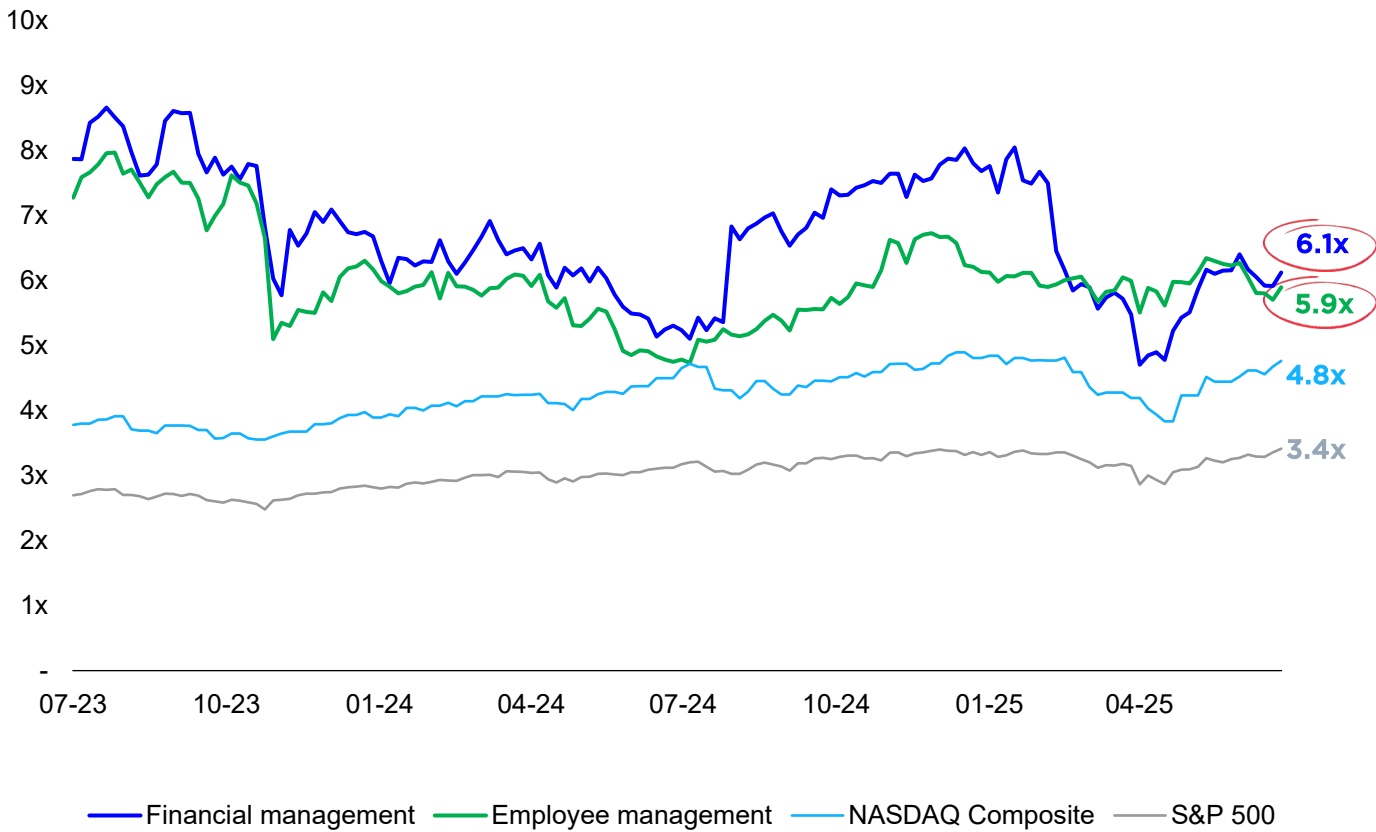
Sources: S&P Capital IQ; PitchBook; MergerMarket; company filings, press releases, Drake Star intelligence per 30-Jun-2025  
Notes: 1) Peer group median multiple excludes EV/revenue >25x which are deemed as not meaningful; represents valuation relevant median (greyed logos excluded)—refer to the appendix for a definition of the relevant peer groups

# / PUBLIC VALUATION ENVIRONMENT

OCFO PEER GROUPS VALUED AT PREMIUM TO BROADER MARKET BENCHMARKS, ALTHOUGH FINANCIAL MANAGEMENT MULTIPLES HAVE CONTRACTED AND TRADED BELOW LAST TWO YEARS' AVERAGES AT 30-JUN-2025

## Public market valuation environment – peer groups over time

EV / NTM revenue, weekly data



## Implied median multiples over time

	Last 24 months			30/6/25
	Low	High	Avg.	
Financial management	4.7x	8.7x	6.7x	6.1x
Employee management	4.7x	8.0x	5.9x	5.9x
NASDAQ Composite	3.6x	4.9x	4.2x	4.8x
S&P 500	2.5x	3.4x	3.1x	3.4x

## Public peer group thinning, given ongoing P2P activity

### Pending public tender offers

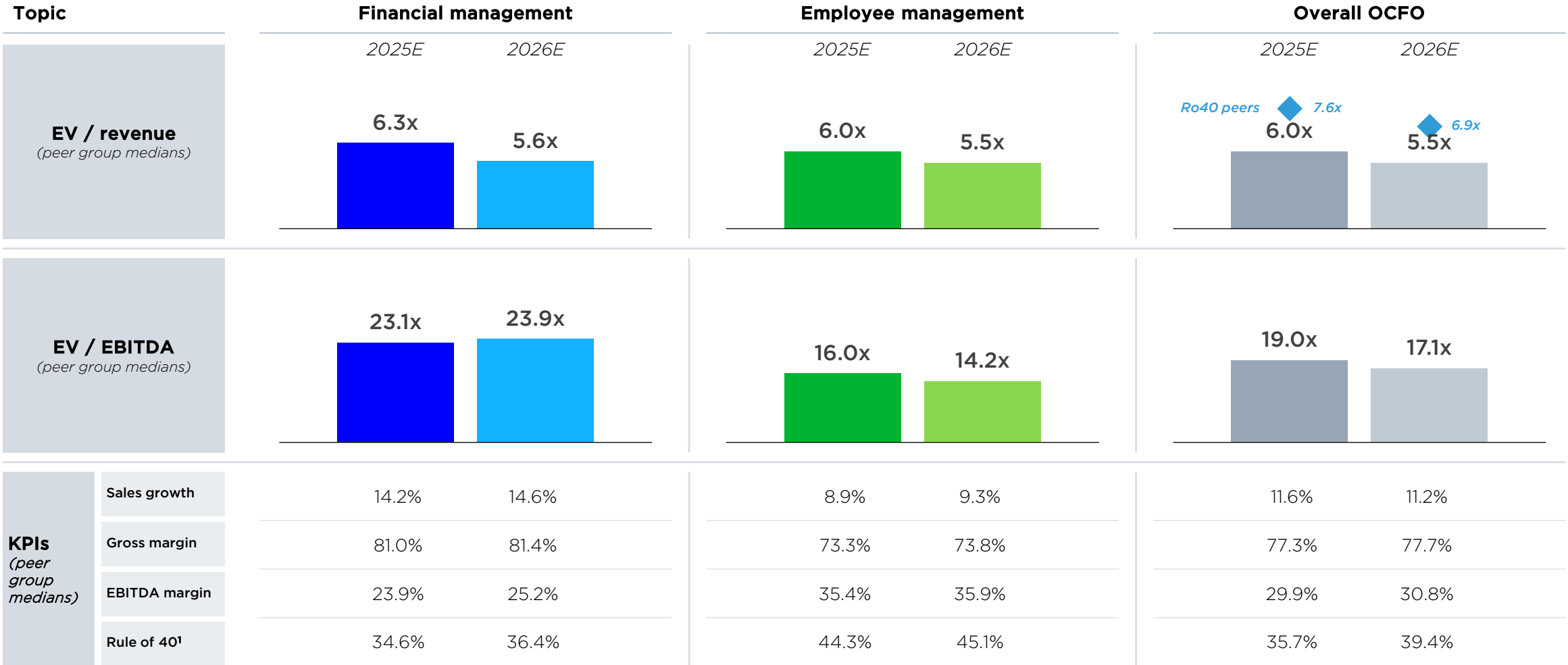
Announcement	Offeror	Target
31-Mar-2025	IQT	Fortnox
06-May-2025	TPG	avidxchange

### Cohort of OCFO peers delisted via P2Ps in recent years





# / PUBLIC VALUATION ENVIRONMENT

EMPLOYEE MANAGEMENT PEERS ARE SEEMINGLY MORE MATURE GIVEN HIGH MARGINS AND MODERATE GROWTH VS. MORE DYNAMIC GROWTH OUTLOOK OF FINANCIAL MANAGEMENT PEERS



# // NOTABLE H1-25 M&A TRANSACTIONS ACROSS THE OCFO SOFTWARE ECOSYSTEM

Financial management / Employee management

**is to acquire**  
*(pending)*

24-June-2025    EV: \$ 3,000m    EV / revenue: 16.0x<sup>1</sup>

- Provider of B2B payments platform for SMEs, streamlining AP / AR with features like electronic payments, invoice management, and vendor onboarding.
- Enhances financial workflows, expands U.S. market share, diversifies revenue through transaction fees, and capitalizes on the growing \$29 billion SMB payments market to support Xero's long-term strategy.




**is to acquire**  
*(pending)*

29-May-2025    EV: \$ 2,000m    EV / revenue '25: 12.0x<sup>2</sup>



- Cloud-based ERP software provider, offering scalable, customizable business management solutions for small and mid-sized businesses.
- Vista will focus on expanding partner engagement and accelerate product development, especially AI-native solutions.




**is to acquire**  
*(pending)*

29-May-2025    EV: \$ 480m    EV / ARR (Apr-25): 17.8x



- Enterprise legal management platform that streamlines matter management, e-billing, invoice review, and legal spend analytics.
- Enhances AI-driven legal operations solutions and strengthens Wolters Kluwer's market presence among mid-sized corporations in the U.S. and Europe.

**tender offer for**  
*(pending)*

29-May-2025    EV: \$ 2,200m    EV / revenue LFY: 5.0x



- Provider of accounts payable automation software and payment solutions, streamlining financial processes for middle-market businesses and their suppliers.
- Scale AvidXchange's accounts payable automation platform, modernize enterprise payment flows, and capture growth in the \$200+ billion AP automation market.

**tender offer for**  
*(pending)*

31-Mar-2025    EV: \$ 5,400m    EV / revenue LFY: 29.1x

- Provider of cloud-based financial and administrative software, offering integrated solutions for accounting, invoicing, payroll, and business management for SMEs.
- Increase of long-term growth through significant investments in product development and international expansion.

**increased stake in**  
*(pending)*

31-Mar-2025    EV: \$ 5,950m    EV / revenue LFY: 18.5x

- Provider of cloud-based HR software solutions, offering integrated platforms for payroll, core HR, and human capital management, primarily SMEs in Europe.
- Acceleration of product innovation and international expansion in Europe and North America.

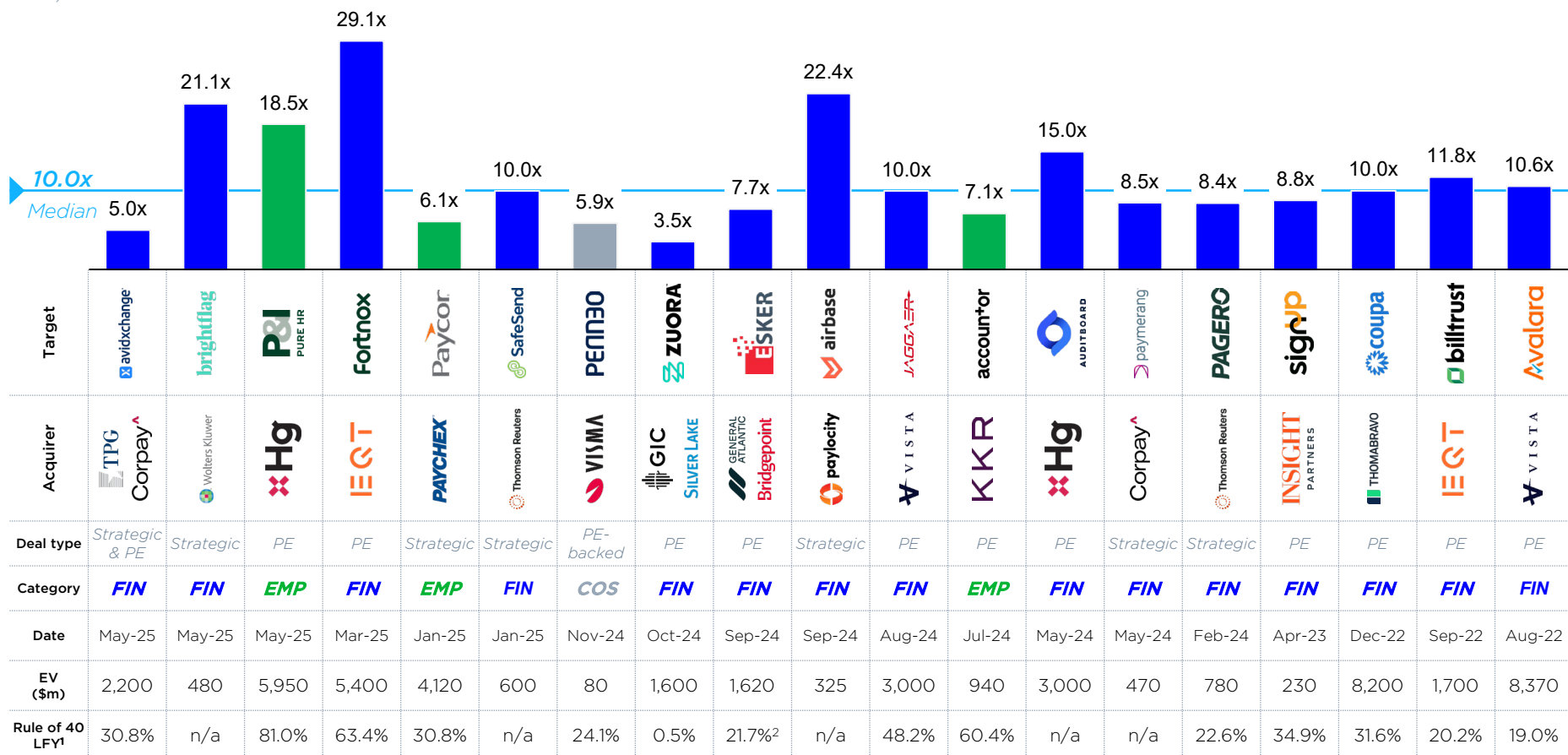


# // OVERVIEW OF M&A MULTIPLE LEVELS OBSERVED ACROSS KEY OCFO DEALS

HIGH DEAL ACTIVITY IN RECENT YEARS, PROVIDING ATTRACTIVE VALUATION PRECEDENTS ACROSS A NUMBER OF PROMINENT OCFO SOFTWARE TRANSACTIONS

## Implied valuation metrics observed in recent OCFO transactions

EV / revenue LFY



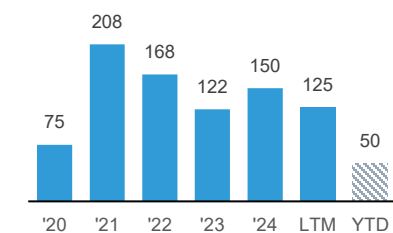
## Comments

- M&A multiples remained highly robust in H1-2025
- Multiple environment supported by continued P2P activity (e.g., AvidXChange / Fortnox)

## Quartiles

	Lower	Upper
EV / revenue	5.9x	21.1x

## No. analyzed deals





## Legend

- FIN Financial management
- EMP Employee management
- COS Corporate secretary

# // SNAPSHOT OF SELECTED RECENT OCFO M&A ACTIVITY





































































H1-25 CONTINUED TO BE A VERY BUSY SEMESTER IN TERMS OF DEAL ACTIVITY, WITH FINANCIAL SPONSORS AS THE MAIN DRIVER, BOTH THROUGH PLATFORM AND BUY-AND-BUILD INVESTMENTS

## Additional recent OCFO transactions in H1 2025

Date	Target	Country (HQ)	Category	Acquirer	Country (HQ)	Type	EV (\$m)	EV / revenue (LFY)	EV / EBITDA (LFY)
Jun-25	 AMTECH		<b>Financial management</b> (vertical ERP solution)	 VISTA		Private equity	>390	>7.8x	n.d.
Jun-25	 N2F		<b>Financial management</b> (spend management)	 FTV CAPITAL		Private equity	n.d.	n.d.	n.d.
May-25	 SKSOFT		<b>Financial management</b> (treasury management)	 signUP		PE-backed	n.d.	n.d.	n.d.
May-25	 fraxion		<b>Financial management</b> (spend management)	 MAIN CAPITAL PARTNERS		Private equity	n.d.	n.d.	n.d.
Apr-25	 FINMATICS THE FUTURE OF FINANCE - TODAY		<b>Financial management</b> (tax management)	 VISMA		PE-backed	n.d.	n.d.	n.d.
Apr-25	 RiskLogix		<b>Corporate secretary</b> (GRC)	 aryza		PE-backed	n.d.	n.d.	n.d.
Mar-25	 dun&bradstreet		<b>Financial management</b> (bus. decisioning data / analytics)	 CLEARLAKE		Private equity	7,500	3.2x	11.8x
Feb-25	 mosaic		<b>Financial management</b> (Strategic CPM / FP&A)	 HiBob		PE-backed	35	n.d.	n.d.
Feb-25	 PACTA.		<b>Corporate secretary</b> (contract lifecycle management)	 DILITRUST		PE-backed	n.d.	n.d.	n.d.
Feb-25	 cisbox		<b>Financial management</b> (procure-to-pay)	 windata		PE-backed	n.d.	n.d.	n.d.
Jan-25	 HUMI		<b>Employee management</b> (payroll)	 employmenthero		PE-backed	70	4.8x	n.d.
Jan-25	 yokoy		<b>Financial management</b> (AP automation, expense mgmt.)	 travelperk <sup>+</sup>		PE-backed	n.d.	n.d.	n.d.

# // OVERVIEW OF KEY PARTIES DRIVING CONSOLIDATION – MOST ACTIVE ACQUIRERS

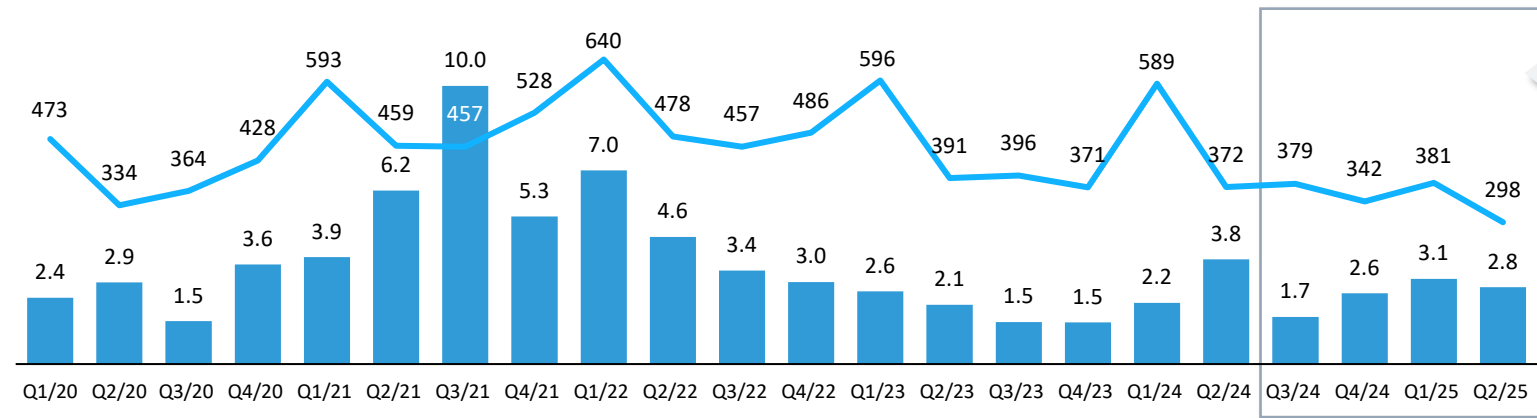
SPONSOR-DRIVEN CONSOLIDATION HAS INTENSIFIED ON THE BACK OF PROVEN LARGE PE-BACK BUY-AND-BUILD CASES – AND SPONSORS ARE WILLING TO PAY-UP FOR THE RIGHT PLATFORM NUCLEUS

Top independent strategic buyers				Top PE-backed consolidators / platforms				Top financial investors by # of platform deals			
Buyer	Selected deals	Σ # deals <sup>1</sup>	Ø EV / rev. <sup>2</sup>	Buyer	Selected deals	Σ # deals <sup>3</sup>	Ø EV / rev. <sup>2</sup>	Buyer	Selected deals	Σ # deals <sup>1</sup>	Ø EV / rev. <sup>2</sup>
	  	Σ 26	12.9x	 	  	Σ 216	3.5x		  	Σ 17	9.4x
	  	Σ 24	17.3x	  	  	Σ 59	7.0x		  	Σ 17	9.4x
	  	Σ 21	7.1x	 	  	Σ 16	n.a.		  	Σ 15	11.6x
	  	Σ 19	n.a.	   	  	Σ 12	7.0x		  	Σ 15	4.9x
	  	Σ 12	9.3x	 	  	Σ 11	n.a.		  	Σ 14	n.a.

# OVERVIEW OF QUARTERLY OCFO FUNDING ACTIVITY

WHILE THE OCFO DEAL COUNT WAS DOWN BY A FIFTH IN LTM JUN-25, AVERAGE VOLUME WAS UP ~40%. NOTABLY, FUNDING ACTIVITY SHIFTED FROM EMPLOYEE MANAGEMENT TO CORPORATE SECRETARY SOLUTIONS

Quarterly equity raise volumes since 2020 (■ volume raised in \$bn, — no. of deals)



Double-click on OCFO segments LTM Jun-25

Segment	Volume raised (\$bn)	No. of deals
Financial mgmt.	3.6	365
Employee mgmt.	2.2	321
Corporate secretary	4.3	714
Total	10.1	1,400

## Most active investors since 2020

Investor	Select investments	# of deals
Alumni Ventures	SecureSave, Mendel, haven, enable, TRM	69
SEQUOIA	pilot, RIPPLING, MERCURY, n8n, CONCOURSE	64
INSIGHT PARTNERS	jedox, #FloQast, papayaglobal, SPENMO, Exactera	54
Accel	Taito.ai, donut, TAXDOO, remote, Personio, Powerplay	50
andreessen.horowitz	deel, WRAPBOOK, Adaptive, runway, Concourse, Thatch	49

## Select recent spotlight financings in H1-25

Date	Target	Country	Category	Leading investors	Volume (\$m)
25-Jun	ramp	USA	Financial mgmt.	khosla ventures, GENERAL CREDIT, 8VC	200
20-May	awardco	USA	Employee mgmt.	spectrum equity, SIXTH STREET, GENERAL CREDIT	165
24-Apr	healthee	USA	Employee mgmt.	Key1 Capital	50
06-Apr	pennylane	France	Financial mgmt.	SEQUOIA, CapitalG, DST GLOBAL	81
26-Mar	MERCURY	USA	Financial mgmt.	SEQUOIA	300
13-Feb	EUDIA	USA	Corporate secretary	GENERAL CREDIT	105
30-Jan	vertice	UK	Financial mgmt.	LAKE STAR, Bessemer Venture Partners	50

# A

## **APPENDIX 1:** **ABOUT DRAKE STAR AND STAX**



# GLOBAL REACH COMBINED WITH LOCAL PRESENCE

ONE OF THE LARGEST TECH TEAMS WITH 100+ PROFESSIONALS IN THE US, EUROPE, AND THE MIDDLE EAST

5  
countries



500+  
transactions



+70%  
cross-border  
transactions



8  
offices



3  
continents



100+  
professionals



# 100% TECH-FOCUSED

## DEEP EXPERTISE IN 8 CORE TECH SECTORS

### SOFTWARE/SAAS



### HR TECH



### FINTECH



### DIGITAL SERVICES



### DIGITAL MEDIA



### CONSUMER & RETAIL TECH



### INDUSTRIAL TECH



### MOBILITY & SUSTAINABILITY



# STRONG TRANSACTION TRACK RECORD

OVER 500 TRANSACTIONS COMPLETED



# Stax: 30+ Years Advising Private Equity and Sponsor-Backed Businesses



## Our Footprint

### GLOBAL OFFICES



## Clients

More than

**50%**

OF THE LARGEST

**Private equity firms,**

over 200 globally

Partnering with Leading Investment Banks.

Extensive Track Record with Sponsor-Backed Businesses & Mgmt. Teams.



## Experience

**30+**

Years Supporting

Investors and PortCos

**350+**

Transactions Supported

Annually



## Services

### Advisory Services across Investment Lifecycles:

- Commercial Due Diligence
- Value Creation
- Vendor Due Diligence
- ESG & Impact Advisory



## Industries

### Extensive Sector & Asset-Level Expertise:

- Software & Tech.
- Business Services
- Industrials
- Healthcare
- Consumer & Retail

# Stax's comprehensive services covering the investment lifecycle as well as deep industry and product expertise makes us a strong partner to clients

*It starts and ends with being a good partner.*

## Why Stax?



***Depth of Deal Experience & Focus  
in Private Equity Markets.***



***Extensive Project Work & Expertise Across  
Industries.***



***Offering which Spans Entire Investment  
Lifecycles, Continuously Driving Value  
for Clients.***



***Value Creation is Engrained in Diligence.***



***Transparent, Collaborative Approach***



***Strong Reputation Among Investment  
Banks and Private Equity Firms, Trusted  
across the Market.***



## **APPENDIX 2:** **OCFO DETAIL INFORMATION**



# THERE ARE SPECIALIZED SOLUTIONS WITHIN EACH CORE FUNCTION

CFO SOFTWARE DELIVERS TARGETED SOLUTIONS TO ENABLE AUTOMATION, INSIGHT, AND STRATEGIC CONTROL ACROSS CORE FINANCE WORKFLOWS

Function	Type	Functionalities covered
Core finance operations	Source-to-pay	Automates purchase orders, invoice processing, approvals, and supplier payments to improve control and reduce manual workload in the procure-to-pay cycle.
	AR and billing automation	Streamlines customer billing, invoicing, collections, and cash application processes to accelerate receivables and improve cash flow visibility.
	Core financial management suite	Manages core accounting functions, including the general ledger, expenses, and payroll, providing the foundation for financial reporting and compliance.
	Expense management	Automates employee expense submissions, approvals, reimbursements, and policy enforcement to simplify expense workflows and ensure compliance.
Financial planning and decision support	FP&A platforms (strategic CPM)	Supports budgeting, forecasting, scenario planning, and performance management to guide strategic and operational decisions.
	Financial close and consolidation	Helps streamline month-end and year-end closing activities, reconcile accounts, and consolidate results across entities to produce accurate financial statements.
Treasury, tax and risk management	Treasury management	Manages cash positions, liquidity, bank accounts, payments, and treasury operations to optimize working capital and reduce financial risk.
	Tax management	Automates tax calculations, compliance reporting, filing, and planning activities to reduce errors and ensure tax obligations are met efficiently.
Governance, compliance and entity management	Equity management	Tracks cap tables, manages equity grants and vesting schedules, and supports shareholder reporting to maintain accurate records of ownership.
	Corporate secretary / entity governance	Manages legal entities, corporate records, board governance, and statutory filings to ensure regulatory compliance and proper governance.
	Compliance and ESG	Helps track regulatory requirements, manage compliance programs, and report on sustainability and ESG performance.



# ADOPTION LEVELS OF OCFO SOFTWARE VARIES ACROSS CATEGORIES (1/2)

ERP PLATFORMS DOMINATE CORE FINANCE ADOPTION, WHILE PROCUREMENT AND AR AUTOMATION REMAIN FRAGMENTED AND RELATIVELY LESS PENETRATED (PARTICULARLY IN THE MID-MARKET)

Category	Adoption levels	Commentary	
Source-to-pay	<div><div>Indicative</div><div><div></div></div></div>	<ul style="list-style-type: none"><li>▪ EU e-invoicing mandates driving adoption.</li><li>▪ Mature in large companies.</li><li>▪ Variable mid-market uptake by country.</li></ul>	Core finance operations
AR & billing automation	<div><div></div></div>	<ul style="list-style-type: none"><li>▪ Lags AP automation overall.</li><li>▪ Fragmented vendor landscape.</li><li>▪ Mid-market still evolving.</li></ul>	
Core financial management suite	<div><div></div></div>	<ul style="list-style-type: none"><li>▪ Nearly all mid-sized and large corporates have ERP (e.g., SAP, Oracle, Dynamics).</li><li>▪ Strong country-specific vendors (e.g., Sage, Visma).</li><li>▪ Less penetration in micro-SMBs.</li></ul>	
Expense management	<div><div></div></div>	<ul style="list-style-type: none"><li>▪ Widespread in mid-market and enterprise.</li><li>▪ Strong regulatory focus on expense compliance.</li><li>▪ Smaller firms partly manual in some countries.</li></ul>	
FP&A platforms (strategic CPM)	<div><div></div></div>	<ul style="list-style-type: none"><li>▪ Excel remains dominant in many firms.</li><li>▪ Cloud FP&amp;A growing fast in Northern Europe.</li><li>▪ Mid-market slower to modernize.</li></ul>	Financial planning & decision support
Financial close & consolidation	<div><div></div></div>	<ul style="list-style-type: none"><li>▪ Long ramp-up cycles and user training requirements, especially beyond finance.</li><li>▪ Integration complexity with fragmented ERP/HRIS/CRM stacks.</li><li>▪ Non-core to some mid-market buyers in cost-conscious environments.</li></ul>	

# ADOPTION LEVELS OF OCFO SOFTWARE VARIES ACROSS CATEGORIES (2/2)

STRONG ADOPTION OF TREASURY, TAX & RISK TOOLS AMONG LARGE CAPS, WITH MID-MARKET MORE FRAGMENTED AND SLOWER-MOVING. GOVERNANCE, COMPLIANCE & ESG TOOLS MORE NASCENT, PRIMARILY USED BY LARGE CAPS

Category	Adoption levels	Commentary	
Treasury management	<div>Indicative</div> <div></div>	<ul style="list-style-type: none"><li>Strong in large corporates.</li><li>Mid-market slower due to cost and complexity.</li><li>Liquidity pressures driving interest.</li></ul>	Treasury, tax & risk mgmt.
Tax management	<div></div> <div></div>	<ul style="list-style-type: none"><li>EU VAT reforms create urgency.</li><li>High complexity drives adoption in enterprise.</li><li>Mid-market uptake variable.</li></ul>	
Equity management	<div></div> <div></div>	<ul style="list-style-type: none"><li>Cross-border entity complexity increasing.</li><li>Larger firms adopting Diligent, Athennian.</li><li>Mid-market still manual or outsourced.</li></ul>	Governance, compliance & entity mgmt.
Corporate secretary / entity governance	<div></div> <div></div>	<ul style="list-style-type: none"><li>Adoption concentrated in VC/PE-backed companies.</li><li>Ledgy, Capdesk growing in tech/startups.</li><li>Lower relevance for traditional mid-market.</li></ul>	
Compliance & ESG	<div></div> <div></div>	<ul style="list-style-type: none"><li>ESG reporting urgency rising in Nordics, France, Germany.</li><li>Many firms still use spreadsheets.</li><li>Regulatory clarity gradually accelerating adoption.</li></ul>	

# KEY INVESTOR CONSIDERATIONS BY SOFTWARE CATEGORY (1/2)

Category	Key attractions		Key areas to watch out	
Core finance operations	Source-to-pay	<ul style="list-style-type: none"><li>Strong trend toward digitization and procure-to-pay; clear ROI on invoice automation and payments, with sticky ERP/suppliers.</li><li>Significant cross-sell potential into payments and expense.</li></ul>	<ul style="list-style-type: none"><li>Highly competitive landscape; large suites (Coupa, SAP Ariba).</li><li>Pricing pressure as adoption scales.</li><li>Integration complexity and workflow configuration .</li></ul>	
	AR & billing automation	<ul style="list-style-type: none"><li>Direct cash flow acceleration; high adoption urgency in volatile markets, with benefits that drive expansion and retention.</li><li>Cross-sell with collections and cash application.</li></ul>	<ul style="list-style-type: none"><li>Fragmented field with point solutions and ERP modules.</li><li>Economic cyclicality (volume-driven revenue).</li><li>Heavy dependency on ERP integrations.</li></ul>	
	Core financial management suite	<ul style="list-style-type: none"><li>Mission-critical backbone with very high stickiness and recurring revenue anchored in daily operations.</li><li>Platform foundation for adjacent modules (close, tax, expenses).</li></ul>	<ul style="list-style-type: none"><li>Mature market with feature parity among large vendors.</li><li>Lengthy, complex replacement cycles.</li><li>Risk of commoditization without value-added adjacent features.</li></ul>	
	Expense management	<ul style="list-style-type: none"><li>Growing focus on spend control and compliance; expanding SMB adoption; high stickiness given high user engagement</li><li>Clear opportunity to upsell cards and procurement.</li></ul>	<ul style="list-style-type: none"><li>Highly competitive segment with low switching barriers.</li><li>Dominance of large incumbents (SAP Concur).</li><li>Pricing pressure and perceived commoditization risk.</li></ul>	
Financial planning & decision support	FP&A platforms (strategic CPM)	<ul style="list-style-type: none"><li>Scalable/collab. planning and scenario modeling to replace Excel.</li><li>Supports CFOs' growing role in strategic decision-making.</li><li>High relevance for PE-backed/growth needing agility/visibility.</li></ul>	<ul style="list-style-type: none"><li>Long ramp-up and user training required, esp. beyond finance.</li><li>Integration complexity with fragmented ERP/HRIS/CRM stacks.</li><li>Non-core to some mid-market buyers in cost-conscious areas.</li></ul>	
	Financial close & consolidation	<ul style="list-style-type: none"><li>Strong ROI via faster close cycles and improved audit readiness.</li><li>Scales well with complexity (e.g., multi-entity, international ops).</li><li>Increasing vendor focus on ERP connectors and automation.</li></ul>	<ul style="list-style-type: none"><li>Perceived commoditization of standalone close solutions.</li><li>Reliance on tight ERP integration.</li><li>Pricing pressure as capabilities become standard.</li></ul>	

# KEY INVESTOR CONSIDERATIONS BY SOFTWARE CATEGORY (2/2)

Category	Key attractions	Key areas to watch out
Treasury, tax & risk mgmt.	<b>Treasury management</b> <ul style="list-style-type: none"><li>▪ Strong trend toward digitization and control of procure-to-pay.</li><li>▪ Clear ROI from invoice automation and payment efficiencies.</li><li>▪ Sticky integrations with ERP and supplier networks.</li><li>▪ Significant cross-sell potential into payments and expense.</li></ul>	<ul style="list-style-type: none"><li>▪ Highly competitive landscape with large platforms (Coupa, SAP Ariba).</li><li>▪ Pricing pressure as adoption scales.</li><li>▪ Integration complexity and workflow configuration needs.</li></ul>
	<b>Tax management</b> <ul style="list-style-type: none"><li>▪ Direct working capital impact and cash flow acceleration.</li><li>▪ High adoption urgency in volatile markets.</li><li>▪ Tangible benefits that drive expansion and retention.</li><li>▪ Cross-sell with collections and cash application.</li></ul>	<ul style="list-style-type: none"><li>▪ Fragmented competitive field with point solutions and ERP modules.</li><li>▪ Economic cyclicalities (volume-driven revenue).</li><li>▪ Heavy dependency on ERP integrations.</li></ul>
Governance, compliance & entity mgmt.	<b>Equity management</b> <ul style="list-style-type: none"><li>▪ Growing complexity in cap table administration.</li><li>▪ Expansion in private markets fueling demand.</li><li>▪ Recurring subscription revenue with upsell potential.</li><li>▪ Opportunity for consolidation in fragmented landscape.</li></ul>	<ul style="list-style-type: none"><li>▪ Smaller total addressable market relative to core finance.</li><li>▪ Dependency on startup/venture ecosystems.</li><li>▪ Potential encroachment by HR and payroll platforms.</li></ul>
	<b>Corporate secretary / entity governance</b> <ul style="list-style-type: none"><li>▪ Regulatory push for better governance and compliance tracking.</li><li>▪ Increasing board-level focus on transparency.</li><li>▪ High stickiness due to compliance obligations.</li><li>▪ Potential to integrate with ESG and reporting.</li></ul>	<ul style="list-style-type: none"><li>▪ Evolving standards and reporting frameworks.</li><li>▪ Scaling complexity across geographies.</li><li>▪ Buyer perception of “nice to have” rather than mission-critical.</li><li>▪ Fragmented feature requirements by region.</li></ul>
	<b>Compliance &amp; ESG</b> <ul style="list-style-type: none"><li>▪ ESG reporting gaining momentum globally.</li><li>▪ Regulatory mandates creating urgency to adopt.</li><li>▪ Strong long-term growth drivers as ESG disclosure standardizes.</li><li>▪ Opportunity to integrate with governance / reporting workflows.</li></ul>	<ul style="list-style-type: none"><li>▪ Immature and fragmented vendor landscape.</li><li>▪ Standards and frameworks still in flux.</li><li>▪ Need for continuous investment to stay current.</li><li>▪ Risk of compliance budgets tightening in economic downturns.</li></ul>

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## **APPENDIX 3:** **VALUATION DETAILS**

# / OVERVIEW OF RELEVANT OCFO TRADING PEERS – FINANCIAL MANAGEMENT

OVERALL, RELEVANT FINANCIAL MANAGEMENT PEERS VALUED AT 6.3X REVENUE '25E AND 23.1X EBITDA '25E (MEDIAN). LARGER SUIT VENDORS ATTRACT PREMIUM VALUATIONS






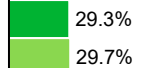




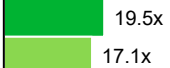






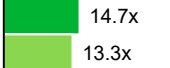

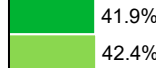




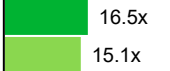

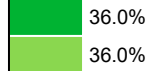



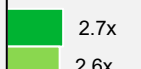









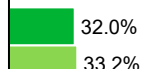




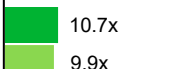

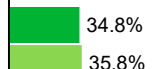
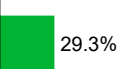
Company	Country (HQ)	EV (\$bn)	EV / revenue		EV / EBITDA		Revenue CAGR ('24E-'26E)	EBITDA margin		Rule of 40 <sup>1</sup> (2025E)
<b>INTUIT</b>		220.6	11.2x	10.0x	27.1x	23.9x	13.1%	41.3%	41.7%	55.1%
xero		18.8	12.8x	10.8x	42.0x	33.9x	19.4%	30.5%	31.9%	50.8%
<b>Sage</b>		17.8	5.0x	4.6x	19.0x	17.1x	8.7%	26.4%	26.9%	35.0%
<b>Fortnox</b>		5.8	22.2x	18.3x	40.9x	32.5x	21.8%	54.4%	56.1%	76.1%
VERTEX		5.7	7.4x	6.5x	34.7x	27.6x	14.5%	21.4%	23.5%	35.9%
onestream		4.5	7.7x	6.4x	n.m.	n.m.	19.7%	2.0%	7.2%	21.2%
<b>bill</b>		4.4	2.8x	2.5x	16.2x	12.7x	13.7%	17.4%	19.4%	30.2%
<b>workiva</b>		3.8	4.4x	3.8x	n.m.	37.5x	16.7%	6.0%	10.2%	23.3%
BLACKLINE		3.6	5.2x	4.8x	19.0x	16.8x	7.8%	27.3%	28.4%	34.2%
avidxchange		1.7	3.8x	3.4x	20.3x	16.0x	6.2%	18.6%	21.5%	21.8%
freee		1.4	5.5x	4.5x	49.1x	27.7x	24.8%	11.3%	16.2%	37.7%
SIDETRADE		0.4	5.3x	4.6x	29.1x	24.2x	15.3%	18.2%	19.1%	34.1%
<b>Aptitude</b>		0.2	2.4x	2.2x	14.4x	12.0x	3.9%	16.4%	18.3%	16.4%
<b>Expensify</b>		0.2	1.3x	1.2x	5.2x	4.1x	5.3%	24.2%	29.5%	29.6%
			2025E	2026E	2025E	2026E	'24E-'26E	2025E	2026E	2025E
			Median 6.3x	5.6x	23.1x	23.9x	14.1%	23.9%	25.2%	34.6%

■ 2025E ■ 2026E



# / OVERVIEW OF RELEVANT OCFO TRADING PEERS – EMPLOYEE MANAGEMENT

MOST EMPLOYEE MANAGEMENT PEERS OUTPERFORM THE RULE OF 40, DRIVEN BY VERY HIGH EBITDA MARGINS.  
PEERS VALUED AT 6.0X REVENUE '25E AND 16.0X EBITDA '25E (MEDIAN)

Company	Country (HQ)	EV (\$bn)	EV / revenue		EV / EBITDA		Revenue CAGR (‘24E-’26E)	EBITDA margin		Rule of 40 <sup>1</sup> (2025E)	
		126.9									
		55.8									
		12.5									
		9.8									
		9.7									
		9.5									
		4.2									
			2025E	2026E	2025E	2026E	‘24E-’26E	2025E	2026E	2025E	
			Median	6.0x	5.5x	16.0x	14.2x	9.3%	35.4%	35.9%	44.3%

■ 2025E ■ 2026E

# OFFICE OF THE CFO SOFTWARE REPORT

H1 2025

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