

Processing the Vertical Software & Payments Landscape in Europe

Executive Summary

Here at VGB Insights, we often spend time analyzing business model formation in vertical software markets (our recent pieces on hotel management and shipping are linked [here](#)). Many characteristics appear consistent, such as establishing an operating model around a key control point – other areas are more varied, including the inter-section of vertical software with financial services, notably payment processing.

In this report, we outline how independent software vendors (ISVs) have integrated payments within their product offering, and analyze how merchant acquirers and payment service providers (PSPs) have re-focused their strategic initiatives. Our key takeaways are included below.

Since the advent of the iPhone and cloud computing, three growth vectors have driven the evolution of payment processing in vertical software markets over the last decade, in our view: (i) increasing digitization, (ii) growth in ecommerce penetration, and (iii) the democratization of software to SMBs.

Many incumbent merchant acquirers who historically held and benefited from direct merchant relationships have experienced increasing competitive pressures and risk of disintermediation. There have been two main disruptors. First, from payment service providers, like Stripe. Second, from independent software vendors who supplement their vertically-focused platforms with payment processing capabilities, like Toast.

Our bottom-up analysis suggests there is a wide dispersion of payment enablement among ISVs and across verticals. For example, hospitality (inc. hotels, restaurants, and wellness) has been the most payment-enabled to-date, compared to vendors within more complex industries which focus on software, such as energy and construction. Moreover, Europe, seems earlier in the growth cycle compared to the US, where some venture-backed ISVs have listed on the public markets.

In the final section, we screen ten verticals and highlight some interesting ISVs we have come across in Europe.

Please reach out if you would like to discuss in more detail.

Ali Birkby
Alastair.birkby@lazard.com

Jason Welham
Jason.welham@lazard.com

Nick James
nick.james@lazard.com

Tyler Holly
tyler.holly@lazard.com

Matthew Sykes
matthew.sykes@lazard.com

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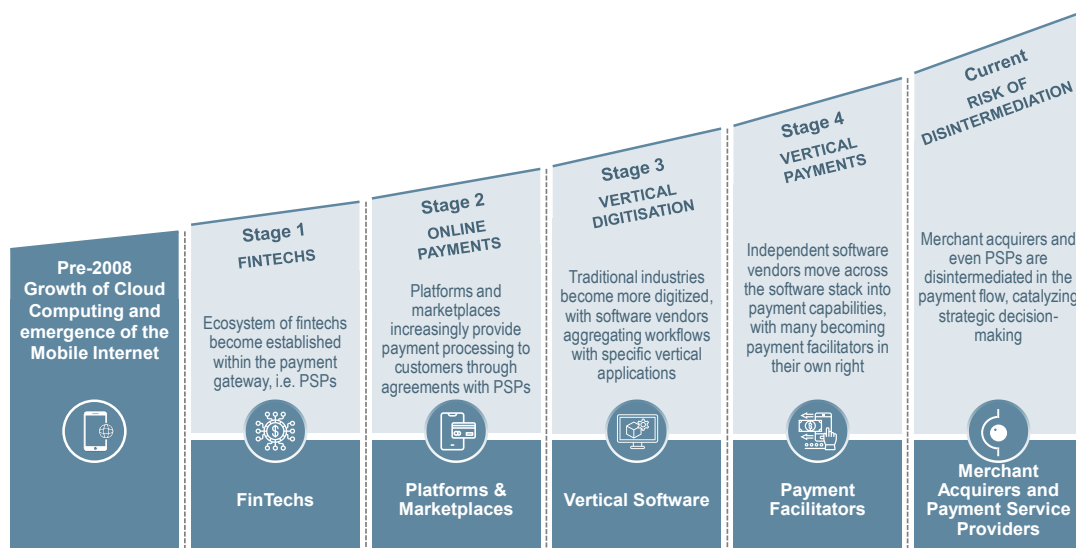
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Introduction: Evolution of Integrated Payments

The growth in cloud computing and emergence of the mobile internet has catalysed significant growth in card payments over the past 15 years. According to a recent Nilson report, global card volume exceeded US\$40 trillion last year, up from only US\$5 trillion in 2006. Against this backdrop, traditionally offline and fragmented vertical markets have progressively digitized their core software and payment infrastructures. We can breakdown this evolution into four phases.

1. **Emergence of payment service providers (PSPs):** commerce globalized and shifted towards digital channels, with PSPs becoming increasingly central to processing online and offline transactions. Venture-backed PSPs include firms such as Stripe and Square.
2. **Growth of platforms & marketplaces:** digitally native merchants scaled, with customers demanding a frictionless online check-out experience.
3. **Vertical software:** fragmented vertical markets begun to digitize as independent software vendors (ISV) developed industry-specific applications.
4. **Payment facilitation:** ISVs built payment capabilities, typically in offline verticals where merchants are mostly SMBs. Other vertical payments companies also scaled, like Flywire.

Figure 1: Evolution of Integrated Payments



Source: Lazard VGB Insights

The direct relationships between merchant acquirers (and more latterly PSPs) and merchants have been threatened by disintermediation risk. European and US venture & growth markets have been at the forefront of this disruption, with early-stage investors backing the growth of consumer internet platforms (i.e. Netflix, Spotify), payment service providers (i.e. Stripe, Square), and ISVs (i.e. Toast, Procore). This report unpacks these dynamics and consists of three main sections:

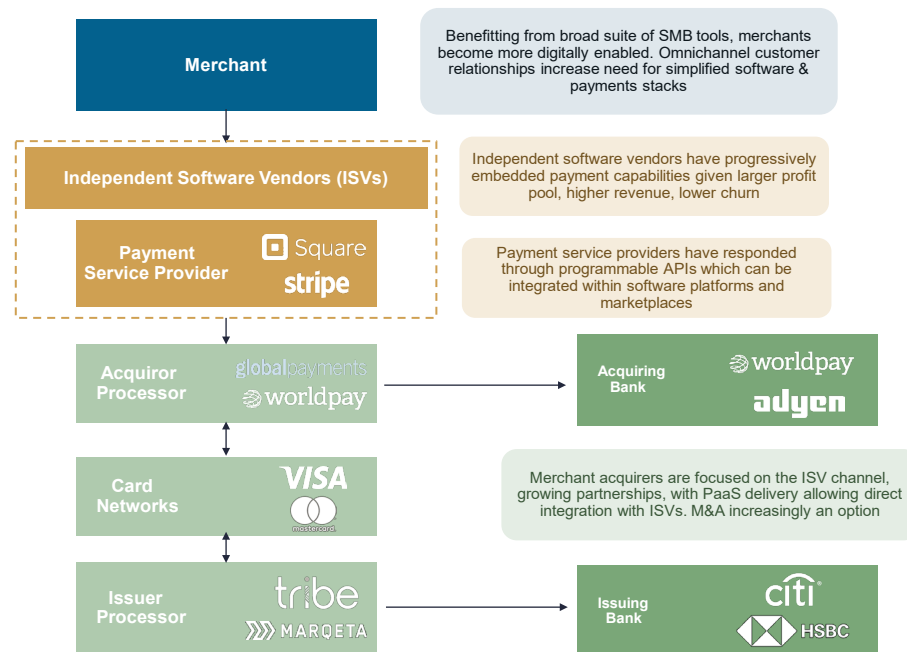
- First, we disaggregate the payments value chain
- Second, we outline how ISVs have added payment processing to their core software offering
- Last, we screen 10 European vertical software markets to identify interesting ISVs

Section One: Payments in Focus

Disintermediation across the Payments Value Chain

The payments value chain is complex. In the figure below, we outline a simplified framework underpinning two key sub-processes: payment authorization and settlement. The figure also demonstrates two ongoing trends we have identified: first, PSPs positioning between merchants and acquirers; and second, ISVs utilizing their vertical product offering to compete directly with PSPs.

Figure 2: Disintermediation across the Payments Value Chain



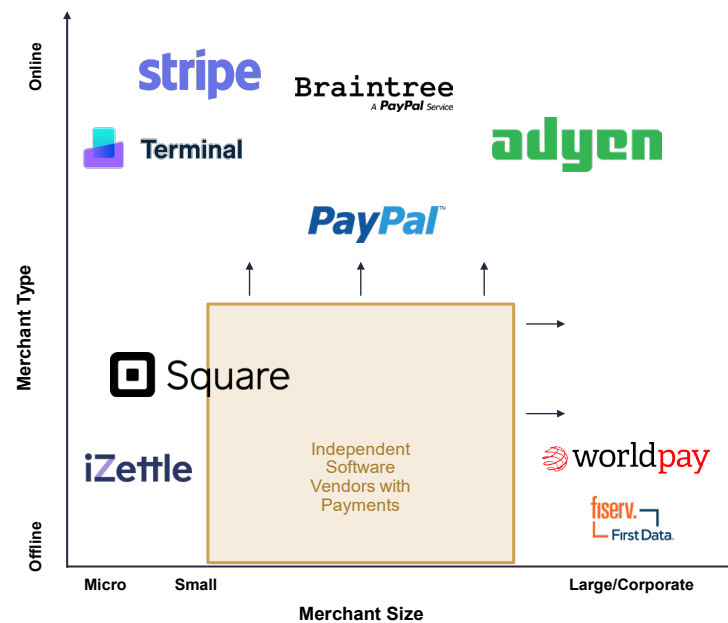
Source: Lazard VGB Insights

Zooming in on ISV Disruption

ISVs appear most disruptive within the offline SMB segment, with notable growth in software adoption among SMBs. For example, up to 50% of small businesses now use ISVs as payment providers, according to a recent McKinsey report.

In the figure below, we outline the competitive positioning of some different payment processing firms. ISVs have taken share largely in the SMB segment, PSPs have targeted digitally native merchants, while merchant acquirers are focused on legacy offline enterprise. ISVs are increasingly looking to target mid-market and multi-channel merchants.

Figure 3: Competitive Positioning of Independent Software Vendors (ISVs)



Source: BCG, Lazard VGB Insights

Strategic Response from Merchant Acquirers and PSPs

Merchant acquirers and PSPs have made strategic choices to protect their competitive positioning and mid-term growth prospects. Merchant acquirers have utilized M&A to help preserve card volumes and merchant relationships, with many players acquiring vertically focused assets or point-of-sale solutions. PSPs on the other hand have built in-house capabilities to work directly with ISVs via direct API connectivity – Stripe Connect is a notable example.

ISVs have looked to add payment processing as a core product feature - in some cases becoming payment facilitators in their own right (we explore the different shades of payment enablement later). A payment facilitator (Payfac) provides payment services through aggregating merchant funds into a master, pooled account. ISVs who establish Payfac capabilities look well-placed to build defensible competitive positions, with lower levels of disintermediation risk in our view.

Figure 4: Strategic Responses by Stakeholders

Illustrative Examples		worldpay / fiserv First Data	stripe / adyen / PayPal	toast / MEWS / flywire
Overview		Merchant Acquirer	Payment service provider	Payment Facilitator
Operating Model		Process payments on behalf of merchants	Combining merchant account, payment processing and gateway into one product	Cloud-based technology integrating across vertical operations with embedded payment processing capabilities
ISV related growth strategies		<ol style="list-style-type: none"> 1. Combining payments with broader software products to increase differentiation 2. Become marketplace with a range of product offerings including KYC, financing etc. 3. Acquire software platforms to aggregate payment volume in verticals 	<ol style="list-style-type: none"> 1. Add additional financial management functionality such as reconciliation and spend management 2. Launch physical POS capabilities 3. Enable ISV adoption through programmable API 4. Introduce app marketplaces to better embed PSPs within the SMB tech stack 	<ol style="list-style-type: none"> 1. Shift for ISVs moving up the payment stack to become payfacs 2. Entering related-but adjacent verticals 3. Geographical expansion 4. Product expansion into BNPL, lending, HR etc.
Risks		<ul style="list-style-type: none"> • Core processing becoming commoditized and disintermediated • Churn has risen given pricing dynamics ~15-20% 	<ul style="list-style-type: none"> • Growth headwinds as core customer set reaches market maturity • Pricing pressure from competitive risks 	<ul style="list-style-type: none"> • High upfront costs and long build-time towards profitable unit economics • Higher churn among SMB merchants
Examples		<ul style="list-style-type: none"> • Global Payments focused on software within the SMB market, and acquiring companies in specific verticals such as AdvancedMD (Healthcare), Zego (Property), Sentral Education (Education) • FISV addressing SMBs through Clover and Payrix, as well as acquiring large merchants • FIS on Enterprise, Software-led SMB, and Global e-Comm solutions 	<ul style="list-style-type: none"> • Stripe has launched app marketplaces, APIs in Stripe Connect and POS • Square has broadened product set and deepened vertical relevance (i.e. QSR) • Adyen has added additional financial products (multi-FX accounts) and moving down-market towards mid-market 	<ul style="list-style-type: none"> • Toast has built ancillary capabilities such as AP/payroll, as well as shift into lending • MEWS expanding across hotel monetization engine and acquiring POS capabilities • Flywire has focused on building vertical breadth and payments capabilities for more complex, larger transactions. The recent acquisition of Cohort Go increased focus on education in APAC
















Source: Company Reports, Lazard VGB Insights

European Payments + Software M&A

ISVs' growing relevance has been noted across the payments ecosystem. For example, some vertical payment companies have looked to add volume and expand their profit pool using M&A.

This has been most notable in the hospitality vertical. SumUp – a mobile point of sale solution – has made two recent acquisitions in Tiller and Fivestars which added complementary software capabilities and provided cross-selling opportunities to their existing merchants. While private-equity owned Planet Payment – specializing in acquiring and processing services – has focused its own M&A strategy on acquiring retail and travel software tools, adding relevant products in both hotel PMS and retail SaaS. Other notable examples include Saltpay, Xplor, Unzer and Concardis.

Figure 5: Examples of European Payments + Software M&A

Buyer	Acquisition(s)	Date	Transaction Amount	Comments
 sumup	 TILLER	Feb-21	Undisclosed	Sumup, leading provider of POS payment to the European micro-merchant segment, acquired Tiller - a leading restaurant SaaS company
	 FIVESTARS	Oct-21	\$317m	Fivestars is a US-based provider of payments, loyalty and marketing CRM SaaS vendor
 planet	 PROXIMIS <small>Unified Commerce</small>	Dec-21	Undisclosed	Planet, a global leader in payment services and VAS focused on accommodation, hospitality and retail, acquired Proximis - a retail SaaS provider
	 protel	Mar-22	Undisclosed	Via common shareholders, Planet acquired Protel - a leading PMS for hotels
 SaltPay	 STORYOUS.	Jan-21	c.€1-6m	Saltpay, a provider of SaaS and fintech has acquired a number of assets across Europe including Storyous, a provider of restaurant SaaS
 xplor	 STADLINE	Apr-20	Undisclosed	TSG acquired Stadline, a leading France-based SaaS platform for fitness chains in 2020
	 Legend	Nov-19	Undisclosed	TSG acquired Legend Club Management Systems - a leading leisure management software company based in the UK
 unzer	 tillhub	Apr-22	Undisclosed	Unzer, a leading German PSP, invested a minority stake in Tillhub, a leading restaurant software vendor
 concardis <small>nets group</small>	 orderbird.	Oct-14	<\$10m	Concardis, part of the Nexi/Nets group, now holds 40% of Orderbird (Germany-based hospitality software provider)

Source: Company Reports, Lazard VGB Insights

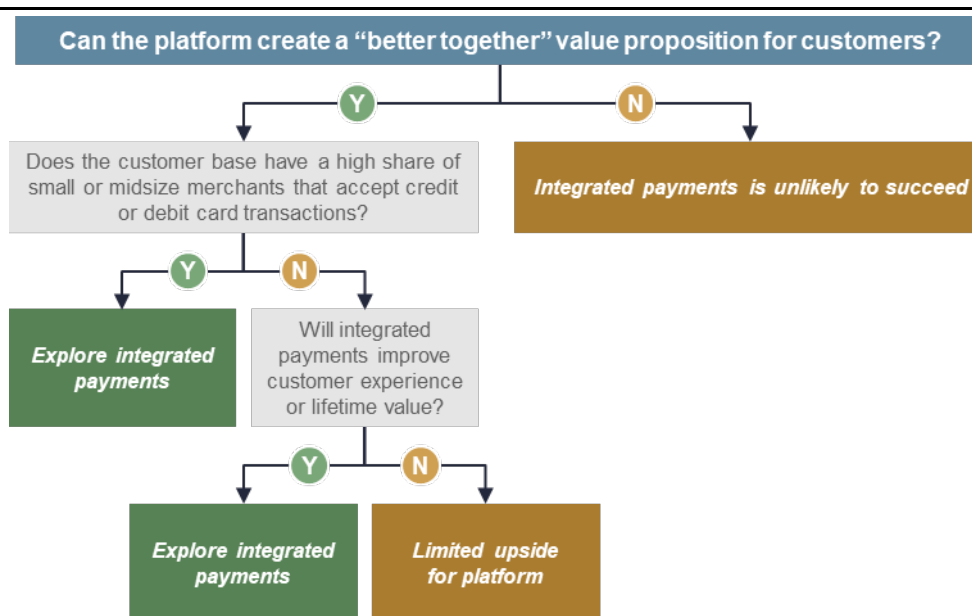
Section Two: ISVs in Focus

Now we've mapped some of the competitive landscape, we can dive into the core of the report - independent software vendors. As a reminder, an ISV sells enterprise software applications to serve the specific workflow needs of stakeholders.

ISV Payment Models

Integrating payments can be beneficial both operationally (to merchants) and financially (to vendors) - ISVs therefore need to consider whether to integrate payments within their software offering. This requires assessing benefits to the customer experience, and the varying levels of risk and return. The decision tree below illustrates how we categorise the decision process.

Figure 6: ISV Payments – Decision Tree



Source: Bain & Company, Lazard VGB Insights

Should the ISV conclude payment processing may be additive, the company would then likely target one of three economic payment models: referral, agent or principal.

1. **Referral:** includes commission-based agreements with a PSP or merchant acquirer. This option is the lowest low-cost approach but quickest to market. Recently PSPs have built APIs to provide simple integration for vendors seeking this option.
2. **Agent:** ISVs sell payment services as an agent, with the vendor earning commission on the spread between wholesale and retail processing rates.
3. **Principal:** payment facilitators operate in principal position, maintaining sub-merchant accounts, and making it easier for SMBs to accept payments. This option involves the highest upfront cost – to build out the required payments infrastructure - but can deliver the most attractive long-run economics.

Using a recent Bain report, the figure below summarizes the relationship between upfront cost, time-to-market and unit economics.

Figure 7: ISV Payment Models

	Referral	Distribution		Payfac	
		Agent	Wholesale	Rent	Own
Take rate (bps)	<i>0-30</i>	<i>10-40</i>	<i>40-60</i>	<i>50-80</i>	<i>60-100</i>
Expense	<i>None</i>	<i>Low</i>	<i>Mid</i>	<i>Mid</i>	<i>High</i>
Time-to-market	<i>0</i>	<i><3 months</i>	<i>6-12 months</i>	<i>6-18+ months</i>	<i>12-24 months</i>

Source: Bain & Company, Lazard VGB Insights

Software & Payments – The Growth Curve

Our assessment of ISV business models has led us to establish the five-step ‘vertical software growth curve.’ This encompasses the journey from early vertical penetration, to embedding financial services, through to leveraging volumes to establish a marketplace. ISVs may take these steps in different sequences, but in our opinion the core principles remain consistent.

Step 1: Identify the core control point in a given vertical market and build targeted workflow applications to acquire initial merchants.

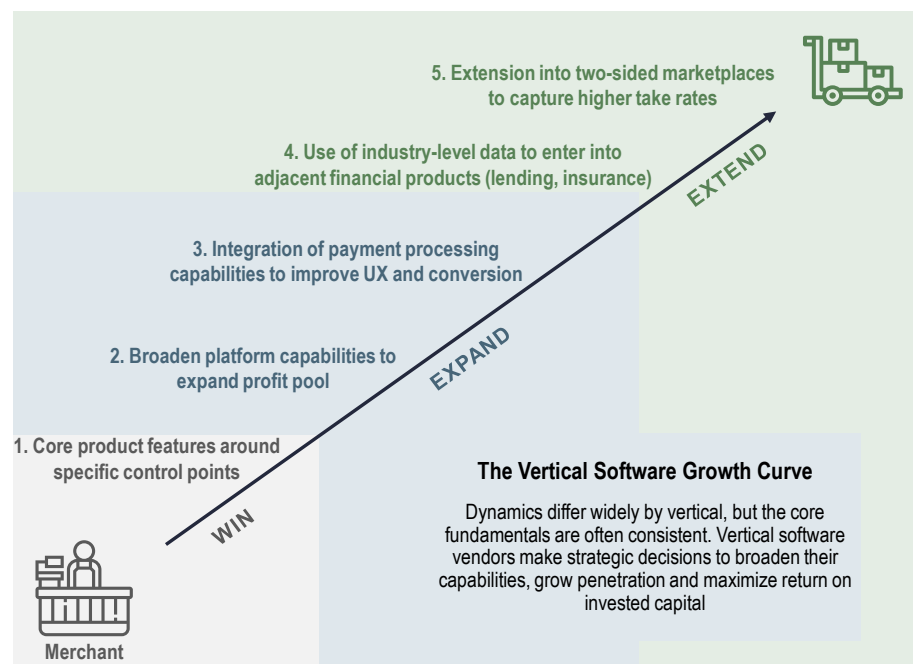
Step 2: Build (or acquire) additional product capabilities, helping embed organic growth from existing customers and support new customer acquisition.

Step 3: Integrate payment processing through selecting one of the three operating models described above. Firms often look to capture incremental economics as they scale.

Step 4: Add further financial products to benefit merchants or other vertical participants, such as short-term lending or insurance.

Step 5: Utilize scale and data insights to establish a two-sided marketplace. Marketplaces built by ISVs can derive attractive take rates given demand fragmentation of SMB merchants.

Figure 8: Vertical Software & Payments – The Growth Curve



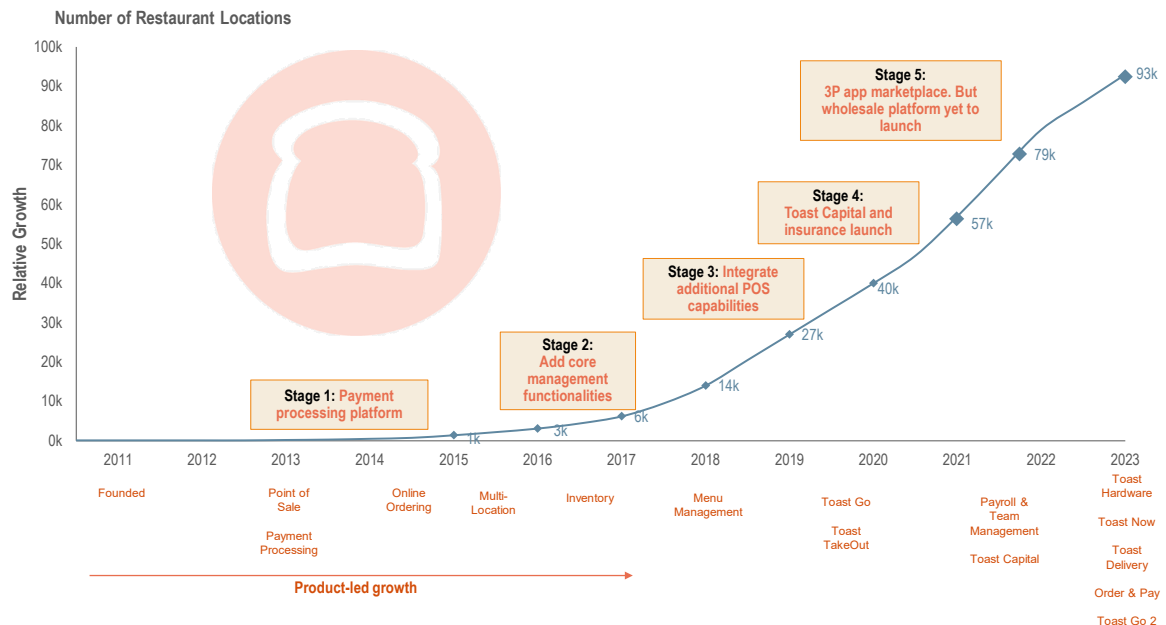
Source: Lazard VGB Insights

Case Studies: Toast and Procore

Now we explore two examples of mature venture-backed ISVs: Toast and Procore, examining their progress around our 'growth curve' framework above.

First, we look at Toast's journey to become a scalable, cloud-based restaurant management platform.

Figure 9: Toast – Growth in Restaurant Locations

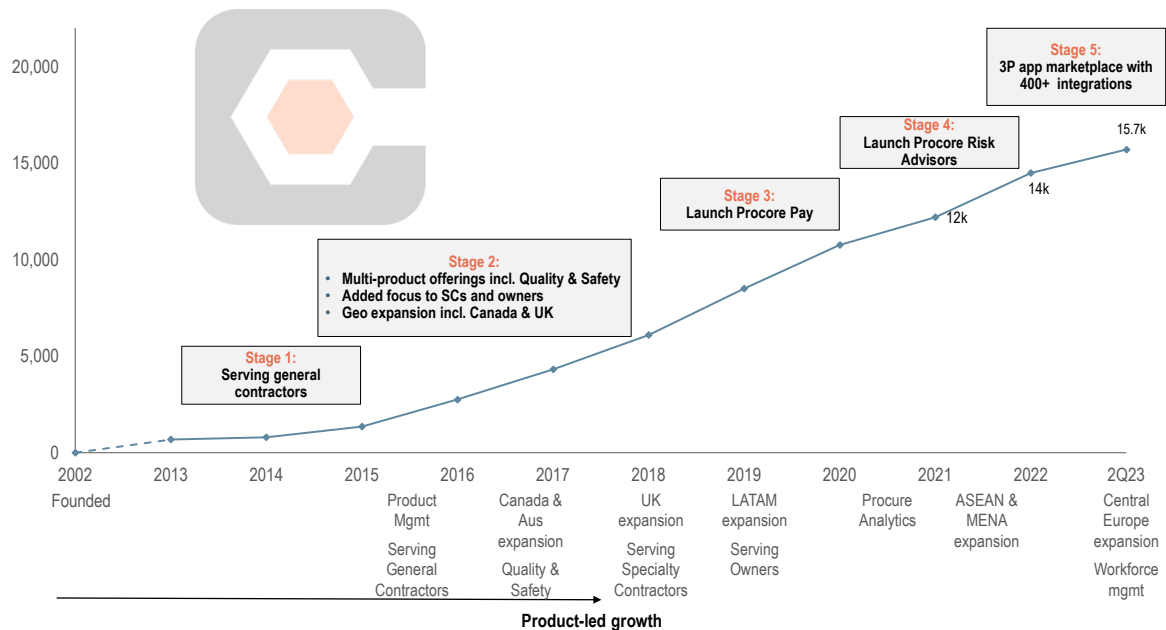


Source: Company Reports, Lazard VGB Insights

- **Core features around specific control point:** Toast begun as a payments processing platform aiming to streamline in-restaurant point of sale systems.
- **Broaden platform offering:** Across time the company added ordering and core restaurant management functionalities, including inventory and menu management.
- **Additional payments capabilities:** Despite being payment-led, the company added additional features such as ToastGo to enable handheld POS to increase staff productivity.
- **Adjacent financial products:** Toast added spend management capabilities as well as monetizing its data moat to add insurance and lending products (i.e. Toast Capital).
- **Establish two-sided marketplace?** Integration of third-party software increases Toast's malleability within the restaurant tech stack. Toast has yet to establish a wholesale ingredient ordering platform, such as firms like Choco and Rekki.

Second, we analyse Procore's ability to streamline management of construction projects through a single integrated platform.

Figure 10: Procore – Growth in Organic Customers



Source: Company Reports, Lazard VGB Insights

- **Core features around specific control point:** The company established its core product simplifying workflows for general contractors, positioned as the industry's system of record.
- **Broaden platform offering:** Procore expanded to a multi-product offering, adding product features such as quality & safety, and tailoring new products such as specialty contractors and owners - also entering new geographies.
- **Additional payments capabilities:** Initial financial management tools were focused on capital planning and cost management. In 2022, Procore Pay was launched to drive efficiencies through the construction payment cycle.
- **Adjacent financial products:** The company offered materials financing through partners, such as Bild, and recently launched an insurance brokerage – Procore Risk Advisors – aiming to apply vertical expertise to improve underwriting quality.
- **Establish two-sided marketplace?** Procore is yet to launch an integrated materials purchasing platform – but the firm does utilize a third-party app marketplace to help customers build a customized tech stack around their core workflows.

Section Three: Vertical Software & Payments in Europe

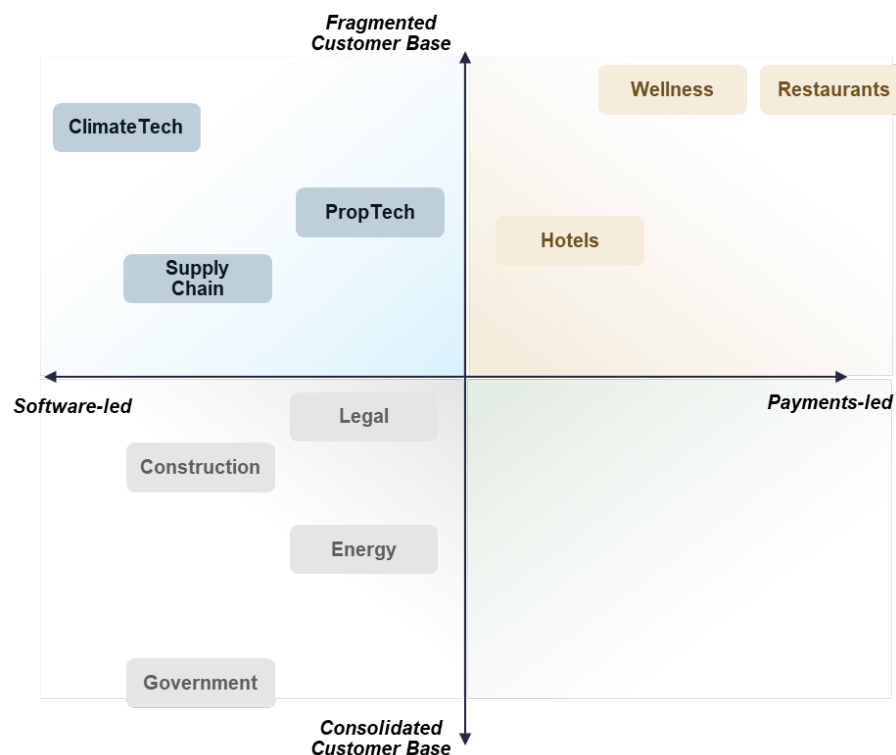
Assessing Payments Integration by Vertical

When we look across the vertical market opportunity set, the individual dynamics are important to consider:

- Software verticals are often deeper in the US compared to Europe, in our view. For example, each market often has higher volume of participants, typically with a listed or late-stage player such as Toast, Procore, or Veeva.
- The size and complexity of verticals is quite varied. That is, in terms of: addressable market, cyclical, fragmentation, number of end customers, online penetration, payment frequency, average order value, etc. Identifying the core control points can be more difficult in complex verticals.
- A continuum exists between ISVs being software-led or payments-led by vertical. High volume, offline and fragmented verticals are more akin to payments, versus more complex markets such as construction or energy where software tools derive comparatively greater value. In our view, we consider the level of payment penetration in the terminal year as an important feature.

To illustrate this final point in more detail, we have taken 10 vertical markets in Europe and plotted merchant fragmentation against the average level of payment integration. Currently, restaurants, wellness and hotels are more payment-led verticals compared to ClimateTech, Supply Chain and Government which are more software-enabled. Looking ahead, we might expect the level of payment penetration to continue to evolve.

Figure 11: Integration of Software & Payments – by European Vertical





















































Source: Lazard VGB Insights

In short, we believe a number of variables are important when assessing a vertical market:

- addressable market size (split by software & payments)
- type of business model
- industry cyclicalities
- breadth of end customers
- merchant fragmentation
- industry online penetration
- potential for marketplace adjacencies
- evidence of existing players of scale

We summarize each of these in the figure below across our ten selected European markets.

Figure 12: Vertical Market Screen - Europe

Vertical	GMV (€bn)	TAM (€bn)	Payment TAM ⁽¹⁾	Business Model	Cyclicality	End Customer	Fragmentation	Online Share %	Marketplace Adjacency	Payments vs. Software	Existing Players
 Hotels	100	2	1	<ul style="list-style-type: none"> Hotel management software (revenue/property management) Payment processing 		Single			✗	Payments	
 Restaurants	572	10	6	<ul style="list-style-type: none"> Restaurant booking Management software POS or payment processing 		Single			✓	Payments	
 PropTech	162	6	2	<ul style="list-style-type: none"> Property management software Estate agent software Real estate management 		Multiple			✓	Software	
 Legal	207	27	2	<ul style="list-style-type: none"> Law firm practice software In-house legal Contract management software 		Multiple			✗	Software	
 Supply Chain	1,132	31	11	<ul style="list-style-type: none"> Shipping software, Freight forwarding, eCommerce fulfillment (incasset- heavy and capital- light models) and last mile delivery 		Multiple			✓	Software	
 Construction	2,625	2	26	<ul style="list-style-type: none"> Construction management Preconstruction Design & engineering 		Multiple			✓	Software	
 Energy	1,067	34	11	<ul style="list-style-type: none"> CRM billing GridTech / DERM Home services Trading Batteries 		Multiple			✓	Software	
 Climate Tech	n/a	12	n/a	<ul style="list-style-type: none"> ESG ratings Carbon accounting Carbon credit rating 		Single			✓	Software	
 Wellness	73	2	1	<ul style="list-style-type: none"> Booking aggregators / Channel management Management software 		Single			✓	Payments	
 Government	7,500	13	75	<ul style="list-style-type: none"> Core government systems Public service delivery Citizen engagement 		Single			✗	Software	

Source: Lazard VGB Insights

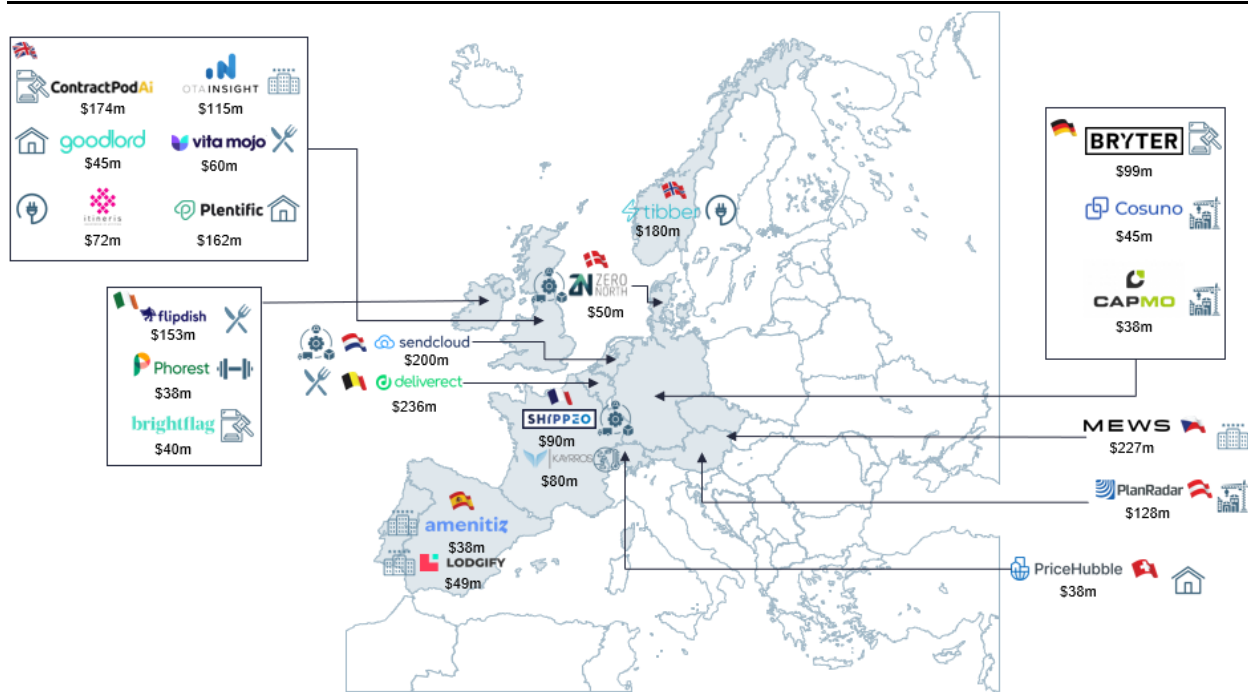
From our analysis, we can infer a few key takeaways.

- Larger markets are positively correlated to vertical complexity. Payments' economics often play a more central role in less complex, smaller verticals for ISVs.
- Vendors operating within more limited TAMs may have comparatively less business model differentiation versus peers, with the end customer also more homogenous. Vendors in narrower markets may utilize payment processing to: i) build better economics, ii) cross-subsidize software pricing, and iii) allow merchants to build an improved customer experience.
- Some verticals have a wider dispersion of ISV business models – energy for example, has multiple different types of operating models.
- Cyclical industries may provide a more attractive setup for vertical software, with ISVs able to drive workflow efficiencies and bundle fixed costs for merchants.
- Verticals with high merchant fragmentation and with low online penetration appear to have been the most penetrated to-date.

Vertical Software Vendors – Europe

While our top-down analysis is important for differentiating between markets, we generally identify companies on a bottom-up basis. Our bottom-up screen included a two-step approach: i) we identified the different types of ISV operating models within a given market, and ii) used desktop research to identify related venture-backed companies. As a result, we have identified two lists: first, 100 ISVs which we find interesting, and second, around 20 companies we have come across, which we believe may be well positioned within their given vertical in Europe.

Figure 13: Selected European ISVs



Source: Lazard VGB Insights

Our list of around 20 ISVs sit across a range of verticals, with different payment capabilities. Companies such as Vita Mojo, Flipdish and Phorest have closely aligned payment processing with their software suite – each of these companies interestingly operate within hospitality. Mews is another good example – utilizing its core position as a hotel PMS to integrate payments across the guest experience.

More software-focused companies can be broken down into two segments: i) solutions which target data analytics such as OTA Insight in hotel management or PriceHubble in real estate, or ii) vendors who operate in more diverse, complex verticals such as construction or logistics.

Firms which sit in-between are building a diverse range of payment use cases, from Brightflag which incorporates e-billing software within its legal product offering, to ZeroNorth which is enabling end-to-end bunkering solutions within shipping.

Figure 14: Selected ISVs - by Level of Payment Enablement

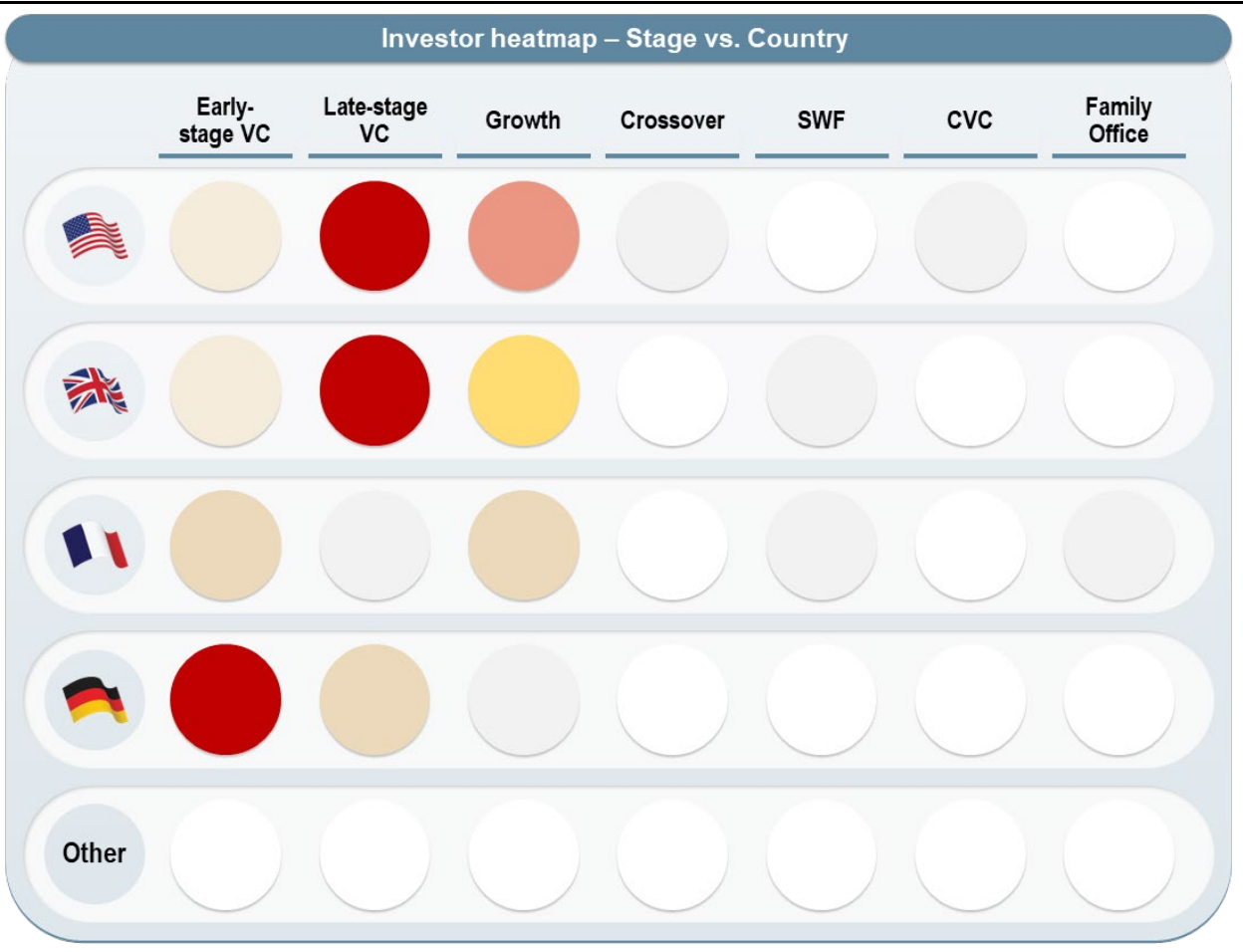


Source: Lazard VGB Insights

Investor Participation in European Vertical Software funding rounds

Analyzing historic funding rounds across the 100 interesting ISVs we have identified in Europe, we have assessed investor participation to-date. We illustrate our findings below. For reference, red denotes high concentration of investments, with white where no investment has been made.

Figure 15: Top 100 ISV - Investor Heatmap



Source: Lazard VGB Insights; Pitchbook

Later stage VC has been the most prolific investor type across our verticals, closely followed by early-stage VC and Growth PE. US and UK-based investors are key participants – and together with France & Germany contributes around 95% of investors. Interestingly, SWF, CVCs & FOs have been relatively less active, with crossovers also subdued likely due to the lower maturity of companies in Europe.

Conclusion

In our view, there have been two core stages of disintermediation around merchant payments. First, PSPs positioning ahead of merchant acquirers as industry verticals begun to digitize payments. Second, independent software vendors utilizing their vertical software tools and direct merchant relationships to embed their own payment processing capabilities. We believe that ISVs should be able to build long-term competitive moats, with lower level of disintermediation risk in payments.
























Based on our market analysis, the US seems to have established a deep pool of vertical software companies across industry verticals – with some of the more mature reaching the public markets. Europe appears much earlier in the growth cycle, but our bottom-up vertical analysis suggests to us that there is a deep pool of ISVs in Europe. The level of payment enablement and digitization is varied by vertical, but payments may become an increasing driver of growth, and terminal value for ISVs.

Based upon our analysis, our selected list of ISVs in Europe includes some companies which we believe may be well positioned within their given vertical, including: ContractPodAI, Goodlord, VitaMojo, Plentific, Phorest, Flipdish, Brightflag, Planradar, Cosuno, Capmo, Bryter, ZeroNorth, Tibber, Mews, OTA Insight, Amenitiz, Lodgify, Itineris, Sendcloud, Price Hubble, Shippeo, Kayrros, and Deliverect.

Looking ahead, we believe ISVs may provide a rich pool of opportunities for investors as many of the identified companies continue to scale.

Appendix

Figure 16: European ISVs – Selected Company Profiles

	Company	Location	Employees	Last Round Size	Last Round Date	Total raised to date	Selected Investors	Description
Hotels	MEWS		700	185	Dec-22	227	Goldman Sachs, Kinnevik	Property management software with integrated payments and marketplace
	OTA INSIGHT		341	80	Sep-21	115	Spectrum Equity, F-Prime Capital, Eight Roads	Revenue management software with market intelligence
	amenitiz		250	30	Apr-22	38	Eight Roads, Point Nine Capital	Full stack solution including PMS and channel manager
Restaurants	LODGIFY		183	30	Oct-22	49	Octopus Ventures	Holiday rental software
	deliverect		500	150	Jan-22	236	Coatue Management, Alkeon Capital Management	Integrates online orders with restaurant POS
	flipdish		308	96	Jan-22	153	Tencent Holdings, Tiger Global Management	POS, online ordering and marketing software
	vita mojo		137	34	May-22	60	Battery Ventures, Investec	POS, operations, ordering, delivery and marketing
PropTech	goodlord		215	36	Mar-22	75	Highland Europe, Oxx, Finch Ventures, Latitude Ventures	Lettings software managing the entire tenancy process
	PriceHubble		200	34	Jul-21	43	Digital+ Partners, Latitude Ventures, Helvetia Group	Lead generation, property valuation and customer communication for agents and investors
	Plentific		250	99	Oct-21	162	Brookfield Growth, Highland Europe	Property repairs, maintenance & management software
Legal	BRYTER		360	66	Mar-21	99	Tiger Global, Accel, Dawn Capital	App development platform for legal and compliance teams
	ContractPodAi		284	115	Sep-21	174	Softbank, Insight Partners	Contract management for in-house legal teams
	brightflag		170	28	Dec-20	40	One Peak Partners, Sands Capital	E-billing, spend management and operations for in-house legal
Construction	PlanRadar		414	69	Jan-22	128	Insight Partners, Quadrille Capital	Construction management software covering collaboration, management and reporting
	Cosuno		135	30	Feb-22	45	Avenir Growth Capital, Cherry Ventures, Spark Capital	Procurement and subcontractor management software
	CAPMO		111	30	Dec-21	38	Bessemer Venture Partners, UVC Partners	Software for execution phase including collaboration, project management and reporting
Supply Chain	SHIPPEO		244	Undisclosed	Jan-23	90	ORLEN VC, Yamaha Motor Ventures, Battery Ventures	Supply chain visibility across land and sea with emission measurement
	ANZERO NORTH		200	50	Jun-22	50	Cargill, PSG, A.P. Moller	Fleet, vessel, voyage and bunkering management software
	Itineris		398	177	Sep-21	200	SoftBank, L Catterton	Fulfilment platform connecting e-commerce businesses to >100 carriers
Climate	sendcloud		180	44	Mar-22	80	Cathay Innovation, BNP Paribas	Energy insights for investors using satellite imagery & alternative data
Energy	KAYROS		446	17	Jun-22	79	Alychlo, Gimv	CIS & CRM solutions for utility companies
	tibber		300	100	Mar-22	180	Summa Equity, Eight Roads, Balderton Capital	Energy optimization software for retail customers
Wellness	Phorest		250	12	Mar-22	38	Canadian Imperial Bank of Commerce, Susquehanna Growth Equity	Salon reservation platform

Source: Lazard VGB Insights; Pitchbook

Meet the authors**Ali Birkby**

Vice President

Venture & Growth Banking - London

Ali Birkby joined Lazard in March 2022 to lead the European Insights Team in Europe. He provides in-depth analysis of the key thematic trends underpinning European venture capital, and aims to ensure the Venture and Growth Banking practice advises the most disruptive businesses, with the strongest competitive positions.

Prior to Lazard, Ali spent 4 years at Citi as an Equity Research Analyst, covering the US Internet & Media and European Consumer sectors. Ali analyzed a broad range of industries, with covered companies ranging Amazon and Alphabet, to Netflix and Disney, to Peloton and Robinhood; as well as HelloFresh and Ocado.

Before Citi, Ali trained as an Accountant at PwC. Ali is both CFA and ACA qualified, with an undergraduate degree from Loughborough University. He is a keen follower of most sports and plays for Esher Cricket Club. Ali is also a member of the MCC.

**Jason Welham**

Director

FinTech & Financial Institutions - London

Jason joined Lazard in 2017. Jason's focus is across aspects of FinTech including payments, FX, Digital Banks, Financial Services Software and Open Banking.

Prior to Lazard, Jason was in Corporate Development and Strategy at VocaLink leading the process from end to end which resulted in the sale to Mastercard, including regulatory approval and aspects of integration planning. During his time at VocaLink, Jason had a broad range of business development responsibilities including supporting the development of a payment data subsidiary, launch of a mobile payments division and the export of Fast ACH technology into the US and Thailand.

Previously, Jason worked at PwC, where he specialized in M&A Advisory Services advising a range of clients across various sectors including Financial Services, Technology, Media and Telecommunications.

Jason graduated from Loughborough University with a BSC in Business Economics & Finance and is also a member of the Institute of Chartered Accountants of England and Wales (ACA).

**Matt Sykes**

Analyst

Venture & Growth Banking - London

Matt joined Lazard in November 2022 to work on the European Insights team in London. He supports Ali and Nick in providing analysis on key trends in European venture capital, and curating the T100 index of the most exciting venture and growth companies in Europe.

Prior to Lazard, Matt was an equity analyst at Abrdn for 2 years, where he spent time with the UK, European and Global Emerging Market Equity teams, as well as the Emerging Market Debt team. During his time at Abrdn he covered a broad range of sectors including UK Retail, European Industrials and Emerging Market Energy.

Matt has passed all 3 levels of the CFA program and holds an MA in Economics from the University of Edinburgh.

**Nick James**

Managing Director, Co-Team Lead
Venture & Growth Banking - London

Nick James joined Lazard in January 2020 to establish and co-lead the Venture and Growth Banking practice in Europe. He focuses on curating the Lazard T100 index and providing detailed research on the Venture and Growth asset class. Formerly a specialist Equity Research Analyst at Numis Securities in the Technology sector, with a focus on private 'scale-up' venture investments.

In his former role focusing on UK listed technology companies, Nick won multiple awards including Starmine Top Stockpicker awards in 2010 and 2012. He has been consistently rated highly by investors in the Extel survey of analysts. Well regarded for bringing unique and profitable perspective to the semiconductor, tech hardware and industrial technology spaces, Nick's historic coverage included companies such as ARM Holdings, Alent, AZ Electronics, CSR, Imagination Technologies, Pace, Renishaw, Spirent and Wolfson.

Nick has been active in the Technology investment sector since 1998, previously with Nomura and Panmure Gordon, beginning his career in Venture Capital before moving into Equity Research in 2005, then focusing on Venture & Growth Banking since 2017. Nick likes doing CrossFit and watching NFL and UFC. He also loves house music and is an occasional DJ.

**Tyler Holly**

Vice President
Venture & Growth Banking - Austin

Tyler Holly joined Lazard in 2022 to lead VGB's U.S. Insights function and to assist with private capital raises for fast-growing North American technology companies. The Insights team produces sector-focused research and analysis tailored to North American venture and growth industry stakeholders.

Prior to Lazard, Tyler was a Vice President at Harbert Growth Partners, where he sourced and led several enterprise software growth equity investments and executed technology investments across a wide range of verticals.

Before that, Tyler served as a Chief of Staff for Capital One's B2B payments leadership team, and spent time with the U.S. federal government and in investment banking and management consulting roles.

Tyler graduated with a Bachelor's degree with High Distinction from the University of Virginia