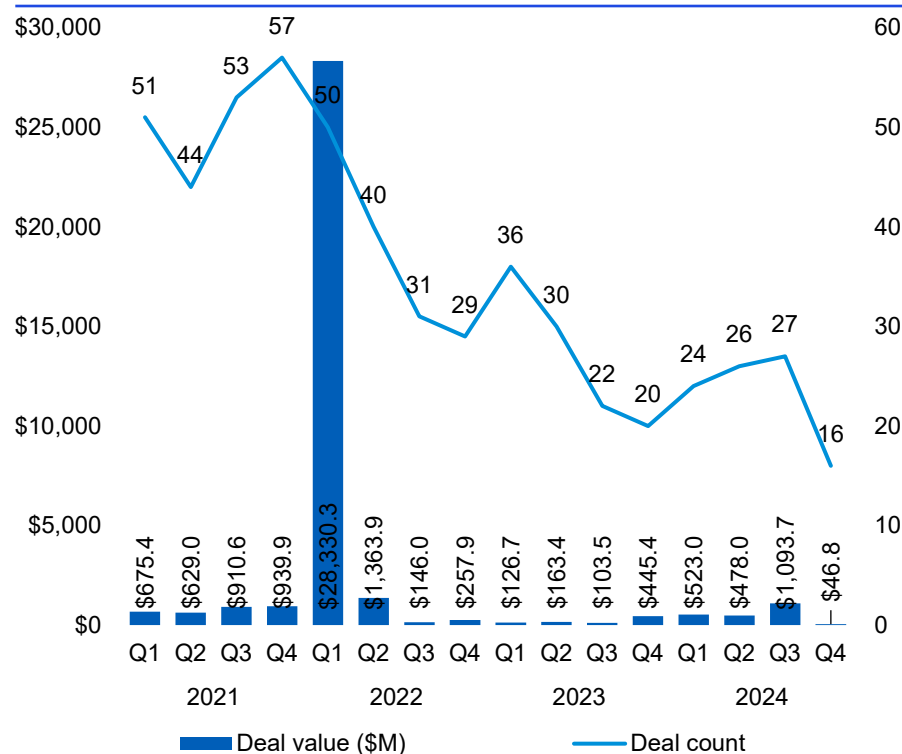


Country insights : Australia

Australian deal value improves markedly in 2024, however volumes remain challenged with the start-up and scale-up environment still struggling to find its footing.

Total fintech investment activity (VC, PE and M&A) in Australia 2021-2024*



In H2'24, Australia registered \$1.1 billion in investments across 43 deals. This data suggests a material improvement from the prior year, and that the low point reached in 2023 (with only \$839 million of investment for the whole year) might be behind us.

This H2 result was largely a result of a standout quarter in Q3'24, in which two large deals were closed; the first one being Experian's acquisition of **Illion**, a leading data and technology company, for \$540 million, and the second being the acquisition of **Lonesec** deal, for \$197 million, in which its largest shareholder (GDG) acquired a 100% ownership stake. While these deals were material in value, deal count remains down 14% on H1'24, indicating that the investment activity is struggling to pick up its pace, especially at a seed/start-up and scale-up level.

Other notable deals for the period were the **Spaceship** acquisition by trading platform giant eToro, for \$55 million. Additionally, **Prospa**, a listed online small business lender, was taken private at a valuation of \$49 million.

Source: Pulse of Fintech H2'24, Global Analysis of Investment in Fintech, KPMG International (data provided by PitchBook), *as of 31 December 2024.

“ As foreshadowed in previous reports, the investment activity taking place in the Australian fintech sector remains focused on the larger and more established end of the market. In stark contrast, activity at the seed, start-up and scale-up segment remains challenged, and reflects the continued level of uncertainty and caution in the market.

With rates still at a fourteen-year high and an upcoming federal election in the first half of 2025, we expect investor sentiment to remain vigilant and likely focused on the mature and strategic end of the market.

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Daniel Teper
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KPMG Australia