



TRANSLINK

C O R P O R A T E F I N A N C E

TRANSLINK CF SAAS VALUATION INDEX

Q3 2024

Disclaimer

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01

Introduction

Steady valuations and higher volumes

Q3 FY 2024 confirms the trend observed over the past months, with higher **deal volumes and stable valuations**

Deal volumes are picking up year-on-year (+13,82%) and have continued to grow quarter-on-quarter for the past 9 months.

Q3 2024 saw just over 1 700 deals completed. Deal volume remains significantly above the past 6 year's average (*c.1200 deals completed on average per quarter over the past 6 years*), confirming quarter after quarter sustained interest in the SaaS sector from investors and peers.

Valuations have slightly decreased to a median of 3,3x NTM revenues. Behind this number lie many factors, and a larger-than-before gap between outperformers and underperformers.

The Translink CF team is optimistic about the remainder of 2024. We expect deal volume to remain stable and valuations to stay close to a median of 4x NTM revenues.

Source: mergermarket.com / CapitalIQ
(1):median EV / Next Twelve Months revenues

1 705
deals in SaaS for Q3 FY'24

1 498
deals in SaaS for Q3 FY'23 (+13,82%)

144

SaaS companies included in our SaaS Index

EV from
3,6x
Revenues (1)
(Q3 2023)

|| TO
3,3x
Revenues (1)
(Q3 2024)

Meet the team



MARC IRISSON

Partner - Head of TMT Group

Marc is a M&A professional, with over 12 years of experience. He started his career as an analyst with MK Finance and then completed his financial background with an MBA from Georgia State University, Atlanta, USA. He co-founded Financiere Monceau back in 2011, now Translink CF France, and headed up the TMT sector. He has completed dozens of transactions, both buy and sell-side, with French and foreign clients.. He has participated in various deals within the IT sector.



TERO NUMMENPÄÄ

Chairman

Tero's experience in corporate finance and advisory is vast. Before founding Translink Finland, he worked as an Investment Manager at the firm PCA Infocom Finance Oy. He currently serves as the Chairman of the Board of Translink International AG, which coordinates the Translink group's international operations. Tero holds an M.Sc. (Tech.) from the University of Tampere and an MBA from Virginia Tech. He has closed several transactions in the TMT sector.



RUBEN MORING

Partner

Ruben has been working in M&A since 2017. In addition to financial analysis and preparing high quality sales materials, Ruben actively participates in project management and sales. Prior to joining Translink, Ruben worked in business and technology consulting at Accenture. Ruben holds an M.Sc. (Econ.) from Åbo Akademi.

02

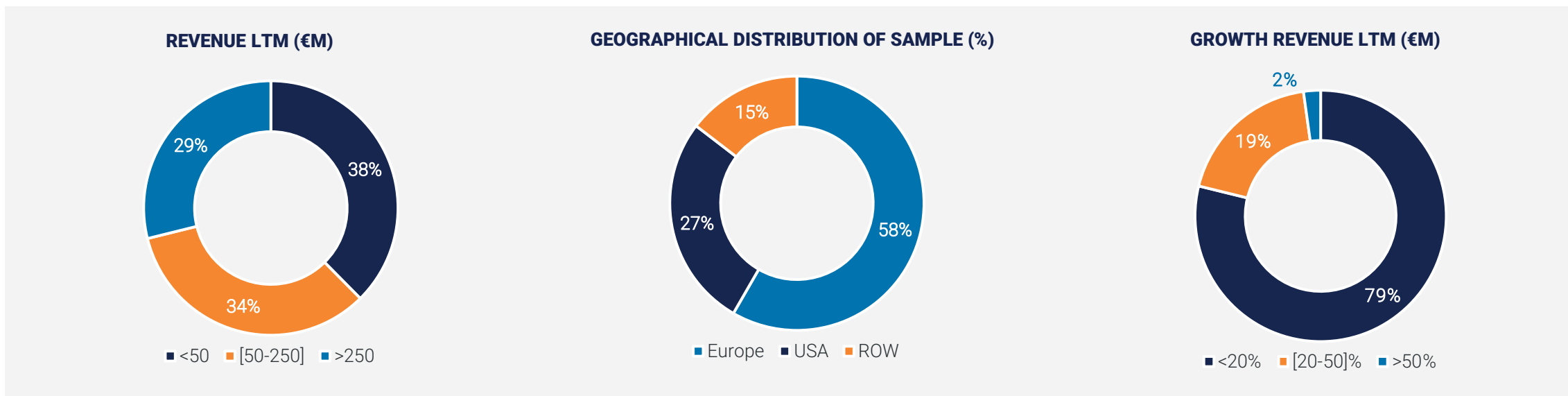
SaaS Valuation Index Q3 update

Our index – updated for 2024

A representative portfolio of SaaS companies across all continents: Update 2024

As we update our index for Q3, 2024, we keep in mind our goal: providing small and mid-size SaaS company owners with information that is relevant in terms of assessing the value of their own business.

Our updated index consists of **144 SaaS companies listed in Europe, the USA and the rest of the world (RoW)**. Differentiated from other indexes, the Translink SaaS Valuation Index **provides an ideal benchmark for private small-to-mid-market B2B SaaS companies in Europe, with 58% of the total sample of constituents matching this profile.**



Volume has been growing for the past three quarters

1 679

deals in SaaS for Q2 FY'24

vs.

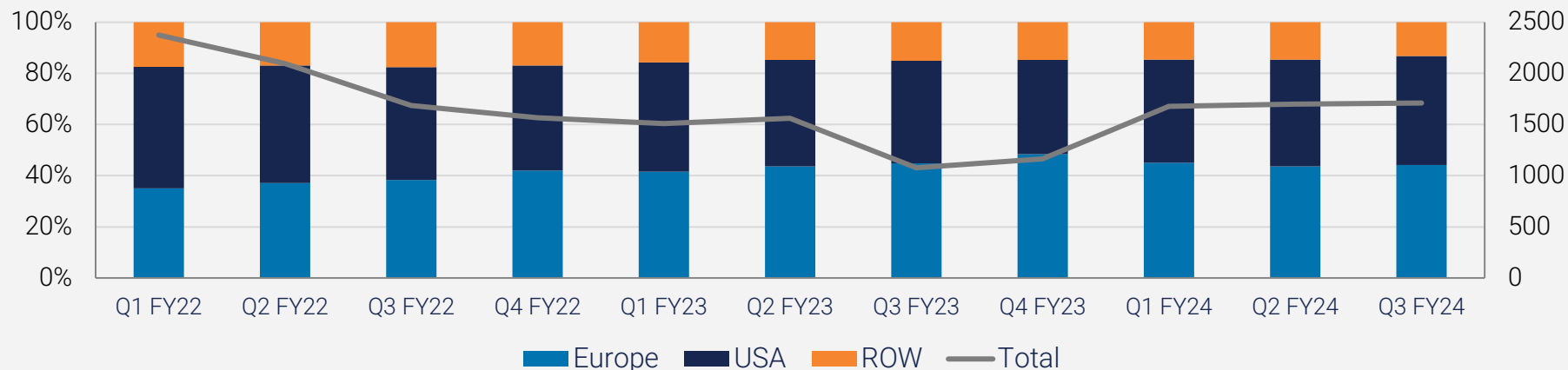
1 699

deals in SaaS for Q3
FY'24 (+1,2%)

vs.

1 705

deals in SaaS for Q3
FY'24 (+0%)

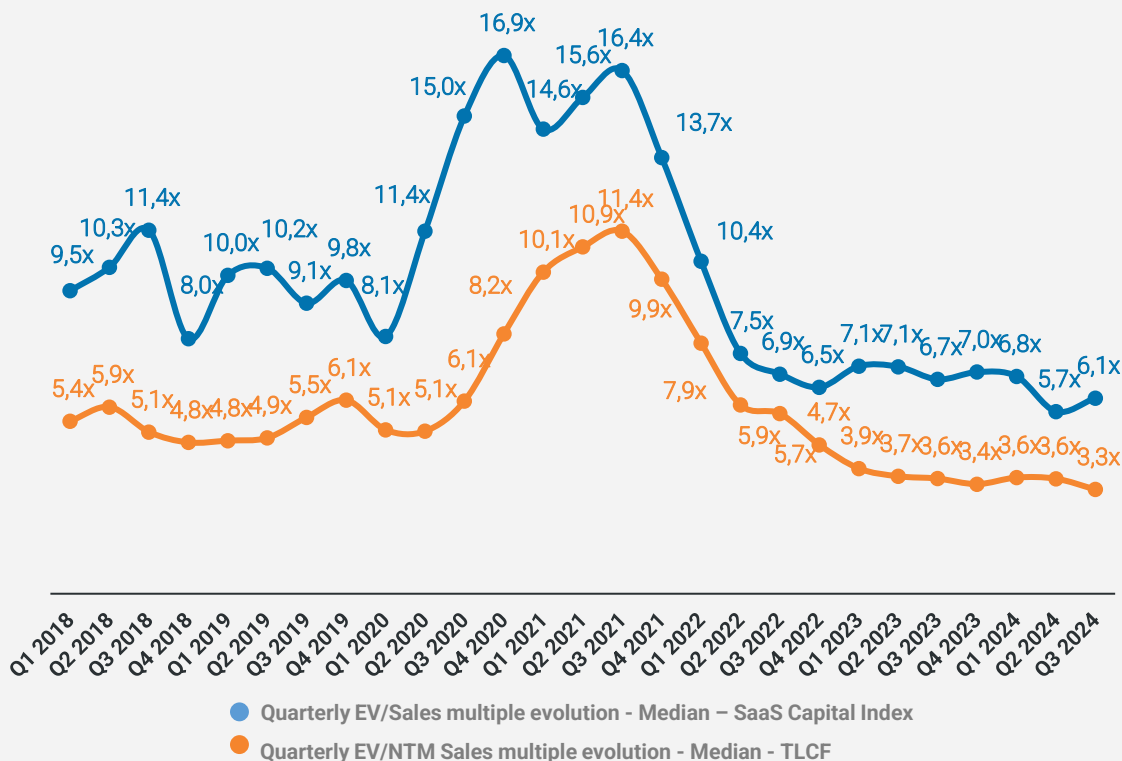


Source: mergermarket.com / CapitalIQ

Quarterly EV / Sales Index

Valuations trend declines in the context of higher deals volume

Quarterly EV/Sales multiple evolution - Median vs. SaaS Capital Index



The revenue multiple has shown the first slow-down in Q3 2024 for the past 9 months. The median valuation now stands at **3,3x NTM revenue** in Q3 2024 for our sample.

For the past 15 months, the median valuations have navigated in the **x3,5-4x range with little magnitude**. A significant change compared to the previous period.

Other takeaways:

- PEs and strategic bidders are **paying strong premiums for taking the best targets private**. It may well be that **the stock exchange is not perfectly assessing the true value of small and mid-size SaaS listed companies**.
- Median valuation hides a wide variety of situations: the market is not a one size fits all!

The Rule of 40 (R40) in 2024

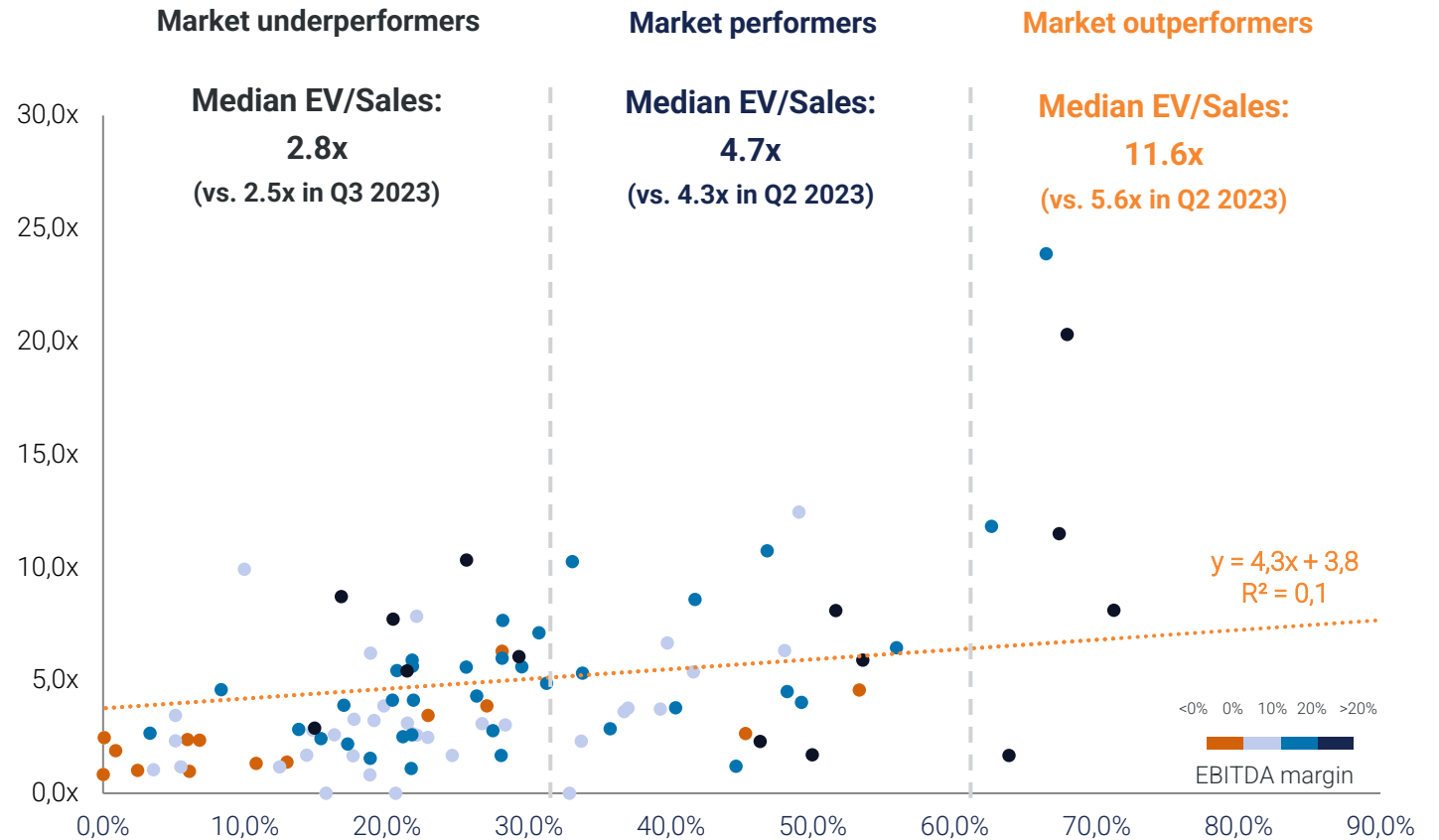
A selective market

SaaS companies that showed a R40 above 60 traded at an average premium of +314% (!) compared to underperformers. **This premium has skyrocketed over the past quarters.**

We also note that there are **very few outperformers this quarter**. They rely on a **median NTM EBITDA margin of 40,5%**, and on solid growth.

The **best performers** are strongly building on their **reliability and clear vision for the future to attract investors.**

RETREATED CORRELATION BETWEEN EV / SALES AND RULE OF 40 RESPECT
(Q3 2024 vs Q3 2023)



Data from CapitalIQ

Quarterly EV / NTM Sales Index

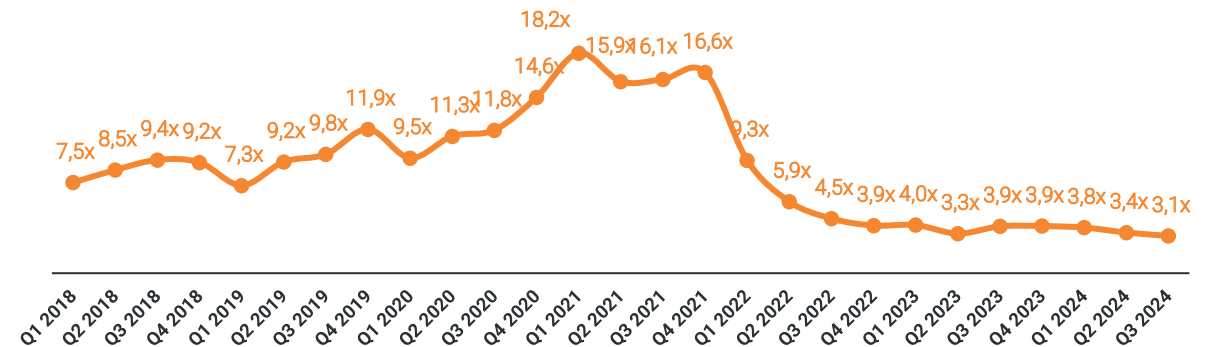
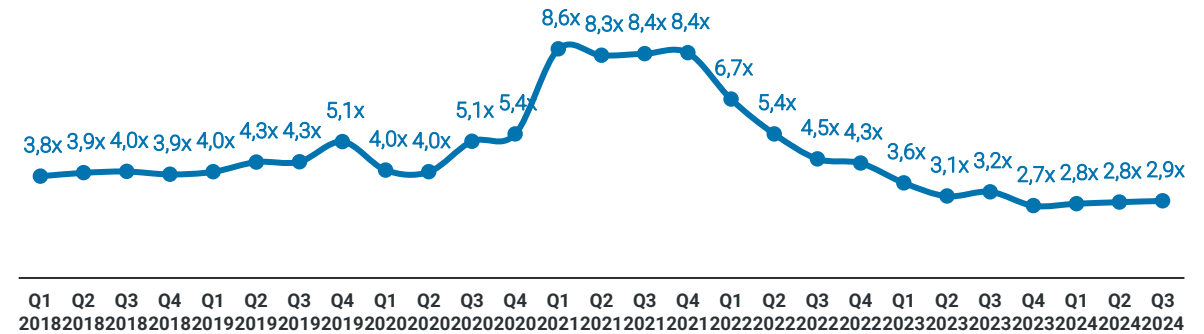
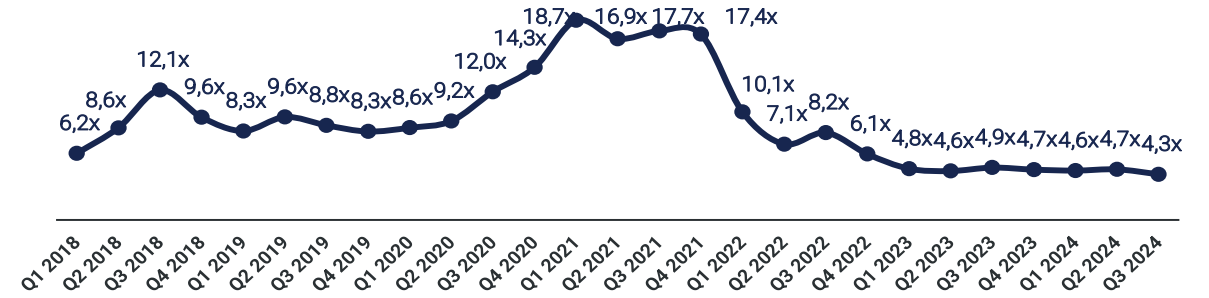
Regional deep dive: Who is leading the pack?

The November election placed the US market under scrutiny in terms of impact on the stock exchange. The Q3 index for the **USA showed strong signals of uncertainties, with a drop to a median of 4,3x NTM revenues, the lowest point of our index so far.** It will be very interesting to look at the Q4 data now the election has occurred.

The European market continues to **lead the pack in terms of deal volume.** The continued strong deal flow came together with a slight increase in the median valuation. Valuations in Europe have now settled to **2,9x NTM sales.**

Valuations of SaaS companies in the RoW continued to decrease to a **low of 3,1x NMT revenues,** the lowest point for our sample. With lower volumes and a yet-to-see recovery to a higher number of deals, the RoW looks less attractive from an investor perspective now.

USA – QUARTERLY EV/NTM SALES MULTIPLE EVOLUTION (SAMPLE MEDIAN / 2018 – 2024)



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Translink CFs TMT industry expertise

Translink Corporate Finance

TMT Specialists around the world



Claus Melgaard
Partner, Denmark
cmelgaard@translinkcf.com



Tero Nummenpää
Chairman, Translink International
tnummenpaa@translinkcf.com



Ruben Moring
Partner, Finland
rmoring@translinkcf.com



Marc Irisson
Partner, France
mirisson@translinkcf.com



Tanguy du Chesnay
Partner, France
tduchesnay@translinkcf.com



Antoine Tanguy
Partner, France
atanguy@translinkcf.com



Christian Hörner
Partner, Germany
chorner@translinkcf.com



David Stempel
Vice-Chairman, Translink International
dstempel@translinkcf.com



Hilit Ben-Zvi Koren
Co-CEO, Israel
hbenzvikoren@translinkcf.com



Nora Håberg
Partner, Norway
nhaberg@translinkcf.com



Will Downing
Managing Director, USA
wdowning@translinkcf.com



Mohit Mehta
Director, USA
mmehta@translinkcf.com



Mikołaj Martynyński
Director, Poland
mmartynski@translinkcf.com



João Patrício dos Santos
Partner, Portugal
jpdosantos@translinkcf.com



Josep Pere Gutierrez
Partner, Spain
jpgutierrez@translinkcf.com



Fredrick Ullberg
Partner, Sweden
fullberg@translinkcf.com



Daniel Dolz
Associate Director, Switzerland
ddolz@translinkcf.com



Antoine Moser
Partner, The Netherlands
amoser@translinkcf.com



Jamie Hope
Partner, United Kingdom
jhope@translinkcf.com



Hamish Morrison
Partner, United Kingdom
[hmorrison@translinkcf.com](mailto:h Morrison@translinkcf.com)



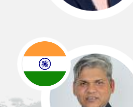
Andy Haigh
Partner, United Kingdom
ahaigh@translinkcf.uk.com



John Blake
Managing Partner, South Africa
john.blake@translinkcf.com



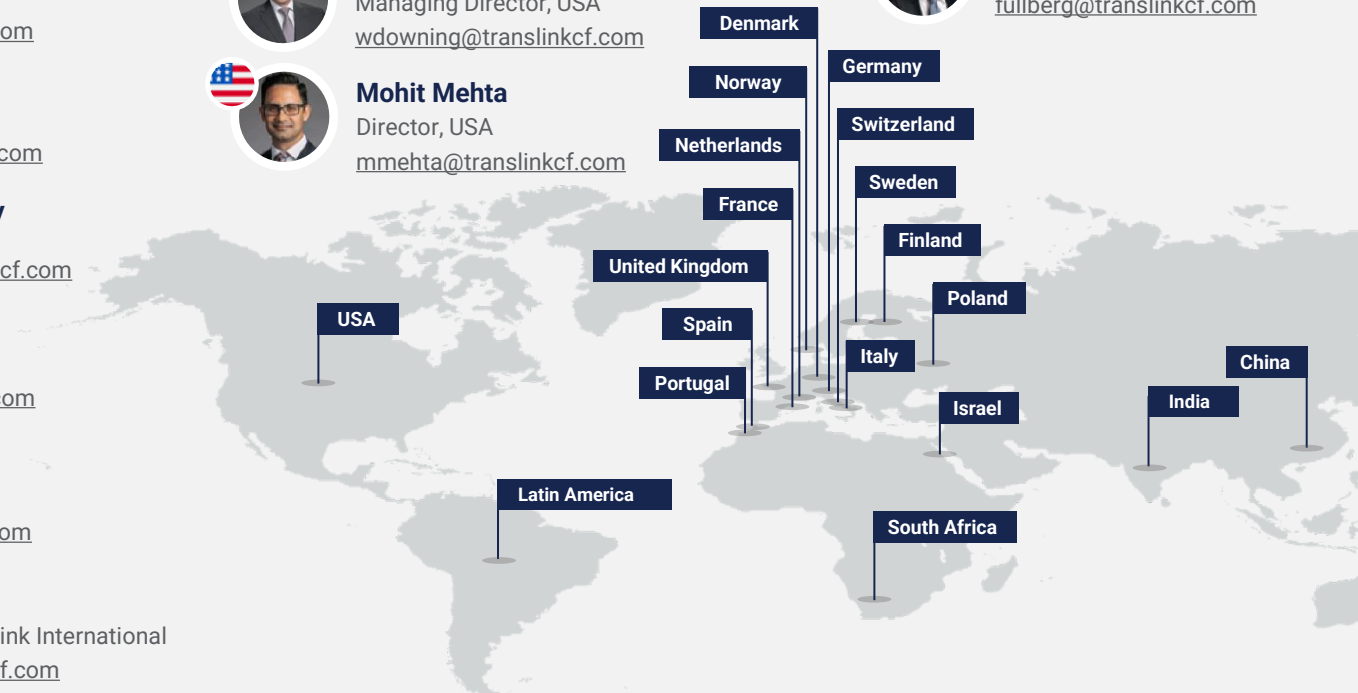
Janet So
Managing Director, China
jso@translinkcf.com



Pawan Lingayat
Vice president, India
plingayat@translinkcf.com



Pablo Bukin
Founding Partner, Latam
pbukin@translinkcf.com



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Recent SaaS deals (1/3)

For more information on Translink’s expertise in Technology, Media and Telecommunication (TMT), visit:

www.translinkcf.com/industry-sectors/TMT/

<p>TMT</p> <p>Norway Spain</p> <p>VISMA acquired</p> <p>tugesto</p> <p>TRANSLINK CORPORATE FINANCE Advisor to the buyer</p>	<p>TMT</p> <p>Sweden Finland Poland</p> <p>SALESllmanago a portfolio company of PERWYN & SilverTree acquired</p> <p>Leadoo</p> <p>TRANSLINK CORPORATE FINANCE Advisor to the buyer</p>	<p>TMT</p> <p>France</p> <p>sogelink acquired</p> <p>NETISYS</p> <p>TRANSLINK CORPORATE FINANCE Advisor to the seller</p>	<p>TMT</p> <p>NORWAY ITALY</p> <p>VISMA acquired</p> <p>Fiscozen</p> <p>TRANSLINK CORPORATE FINANCE Advisor to the buyer</p>	<p>TMT</p> <p>FINLAND</p> <p>Smartvatten acquired</p> <p>neuroflux</p> <p>TRANSLINK CORPORATE FINANCE Advisor to the buyer</p>
<p>TMT</p> <p>GERMANY</p> <p>COHEMI a portfolio company of SILVER INVESTMENT PARTNERS acquired syncor a subsidiary of syncor</p> <p>TRANSLINK CORPORATE FINANCE Advisor to the buyer</p>	<p>TMT</p> <p>FINLAND NORWAY</p> <p>Norvestor acquired a majority stake in Smartvatten</p> <p>TRANSLINK CORPORATE FINANCE Advisor to the seller</p>	<p>TMT</p> <p>FRANCE</p> <p>IK Partners Acquired a minority stake in CCTIME GROUP</p> <p>TRANSLINK CORPORATE FINANCE Advisor to the buyer</p>	<p>TMT</p> <p>SWEDEN THE NETHERLANDS</p> <p>MAIN alfa acquired</p> <p>Clinicbuddy</p> <p>TRANSLINK CORPORATE FINANCE Advisor to the seller</p>	<p>TMT</p> <p>UNITED STATES</p> <p>PELICAN ENERGY PARTNERS has partnered with BLUE WAVE AI LABS</p> <p>TRANSLINK CORPORATE FINANCE Advisor to the buyer</p>

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Recent SaaS deals (2/3)

For more information on Translink's expertise in Technology, Media and Telecommunication (TMT), visit:

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Region	Company	Deal Type	Translink Role
UK UNITED STATES	ieDigital	acquired	Advisor to the seller
NORWAY FRANCE	VISMA	acquired	Advisor to the buyer
DENMARK	Gostotech ApS	acquired	Advisor to the seller
FRANCE CANADA	HR Path.	acquired	Advisor to the buyer
DENMARK SWEDEN	pamir.	acquired	Advisor to the seller
FRANCE UNITED KINGDOM	eagle eye	acquired	Advisor to the seller
UNITED KINGDOM	Kortext	invested in	Advisor to the seller
UNITED STATES	magna	a portfolio company of	Advisor to the seller
FRANCE SWEDEN	DMC Stena	acquired	Advisor to the seller
GERMANY	adesso	acquired	Advisor to the seller

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Recent SaaS deals (3/3)

For more information on Translink's expertise in Technology, Media and Telecommunication (TMT), visit:

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Location	Deal Description	Translink Role
SWEDEN	M. MONTERRO acquired a majority stake in PL▶YIPP	Advisor to the seller
SWITZERLAND	avaloq sold avaloq outline to SPS+ Swiss Post Solutions	Advisor to the seller
FINLAND UNITED STATES	public takeover of the entire share capital of nordicid	Certified Advisor
FRANCE	invested in breega	Advisor to the seller
FRANCE	invested in isai Seventure	Advisor to the seller
NORWAY FRANCE	acquired VISMA	Advisor to the buyer
FINLAND GERMANY	acquired KLETTGRUPPE Studeo	Advisor to the seller
UNITED KINGDOM	acquired CROSSLAKE+ Intech	Advisor to the seller
NORWAY FRANCE	acquired VISMA	Advisor to the buyer
FINLAND UNITED STATES	acquired saas.group +Q AddSearch	Advisor to the seller

04

Appendix

Enterprise value of the companies retained in the index is derived from the stock price.

EV/Revenue multiples take into consideration the full amount of revenue for each company.

It may be that some of the companies record set up or service revenue that could slightly distort the numbers.

Numbers are based on information that is available to the public.



A close-up photograph of two business people shaking hands. The person on the left is wearing a dark, ribbed sweater, and the person on the right is wearing a white dress shirt and a watch. The background is blurred, showing other people in a professional setting.

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