

An aerial view of a city street at night, overlaid with a semi-transparent blue grid and various digital icons such as charts, globes, and network symbols. In the center, there is a large, stylized cloud shape with a checkered pattern inside, containing the Translink logo.

# TRANSLINK

C O R P O R A T E F I N A N C E <sup>TM</sup>

## TRANSLINK CF SaaS VALUATION INDEX

Q4 2025

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01

# Introduction



## Deal volume tumbles. Valuations stagnate

Q4 2025 marks a slowdown in deal volume while valuations are stable

The typical year-end rally did not happen in 2025. Q4 saw a surprising year low with only 1 474 deals completed, down c.9% compared to 2024 and c.10% Q3 '25. It is the lowest number of deals recorded since 2021. While Europe is growing slightly, the USA experienced a significant slowdown (-20%). Uncertainty, tariffs, and the general political context in the USA is a clear obstacle to deal making.

As global uncertainty is growing, dealmakers are getting more specific and target the best assets.

Median valuation in our index grows at 3x NTM revenues, stable over the last three quarters. **Depending on their financial health and dynamic, a wide valuation gap prevails between SaaS players exhibiting superb SaaS metrics and the others. Those who are at the forefront of AI usage also attract premiums.**

Source: mergermarket.com / Capital IQ

(1): median EV / Next Twelve Months revenues

1 474

deals in SaaS for Q4 FY'25

1 615

deals in SaaS for Q4 FY'24 (-8,73%)

154

SaaS  
companies  
included in our  
SaaS Index

EV from

**3,3x**  
**Revenues** <sup>(1)</sup>  
(Q4 2024)

TiD

**3x**  
**Revenues** <sup>(1)</sup>  
(Q4 2025)

## Meet the team



### MARC IRISSON

Partner - Head of TMT Group

Marc is an 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 heads up the TMT sector. Marc 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.



### 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 CF, Ruben worked in business and technology consulting at Accenture. Ruben holds an M.Sc. (Econ.) from Åbo Akademi.

02

# SaaS Valuation Index Q4 update

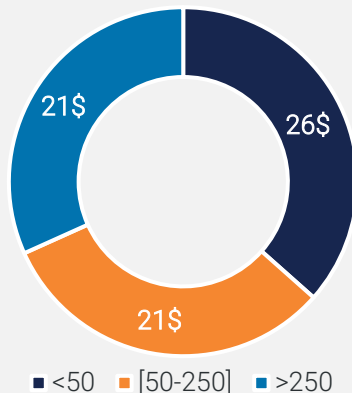
# Our index – updated for 2025

## A representative portfolio of SaaS companies across all continents: Update 2025

The index is built around our goal: To provide small and mid-size SaaS company owners with information that is relevant in terms of assessing the value of their business.

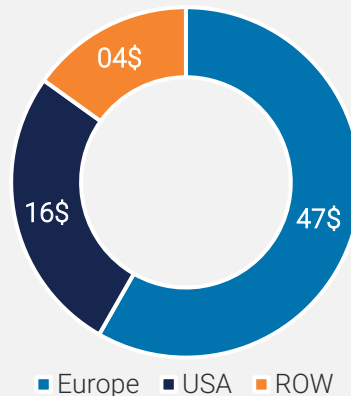
Our index studies **154 SaaS companies listed in Europe, the USA and the rest of the world (RoW)**. Differentiated from other indexes, the Translink CF SaaS Valuation Index **provides an ideal benchmark for private small-to-mid-market B2B SaaS companies in Europe, with 58% of the total sample of constituents matching this profile.**

REVENUE LTM (€M)

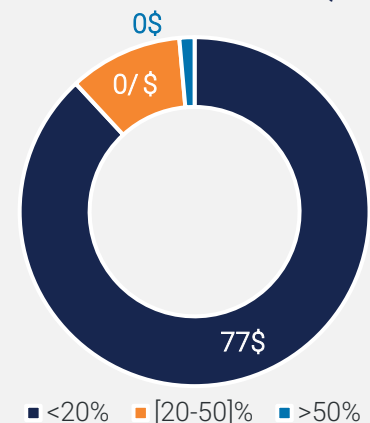


Our sample has remained consistent over the period in terms of size distribution. In Q4, 37% of the companies were below €50m and 69% below €250m in revenue.

GEOGRAPHICAL DISTRIBUTION OF SAMPLE (%)



GROWTH REVENUE LTM (€M)



Throughout the 2025 year, our sample has shown limited growth, with just over 11% of the companies growing +20% YoY. Growth has slowed down all over the world.



## Volumes have been decreasing for a year

6 248

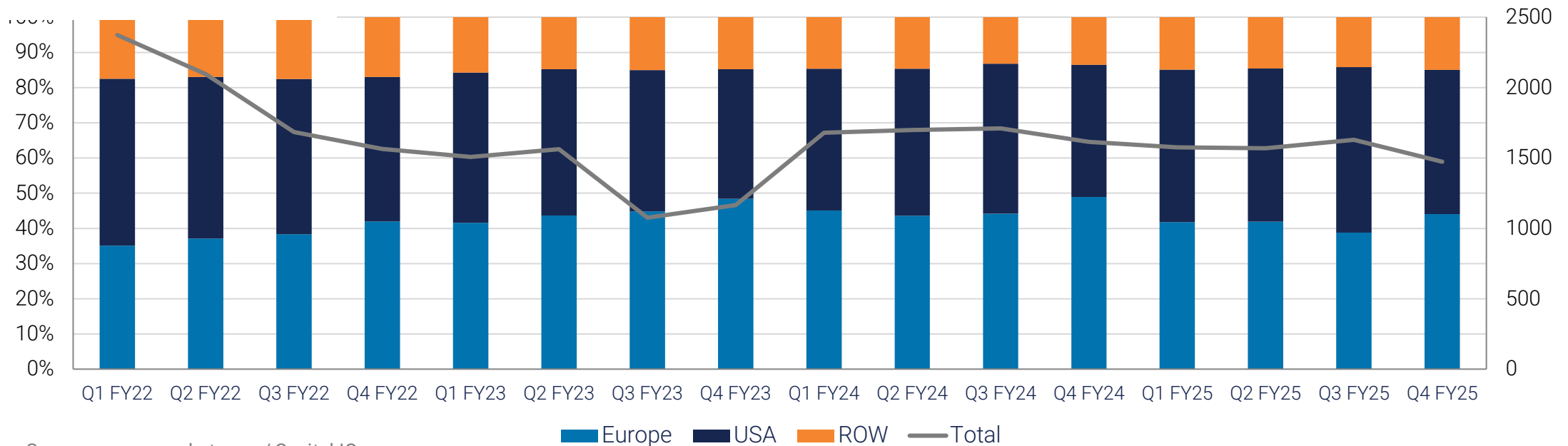
deals in SaaS in 2025  
-6,79%

vs.

6 703

deals in SaaS in 2024

Deal volume remains high, above the past six years average. Still, **SaaS M&A is no stranger to the general caution in dealmaking.** The result is another quarter of contraction in deal volume.

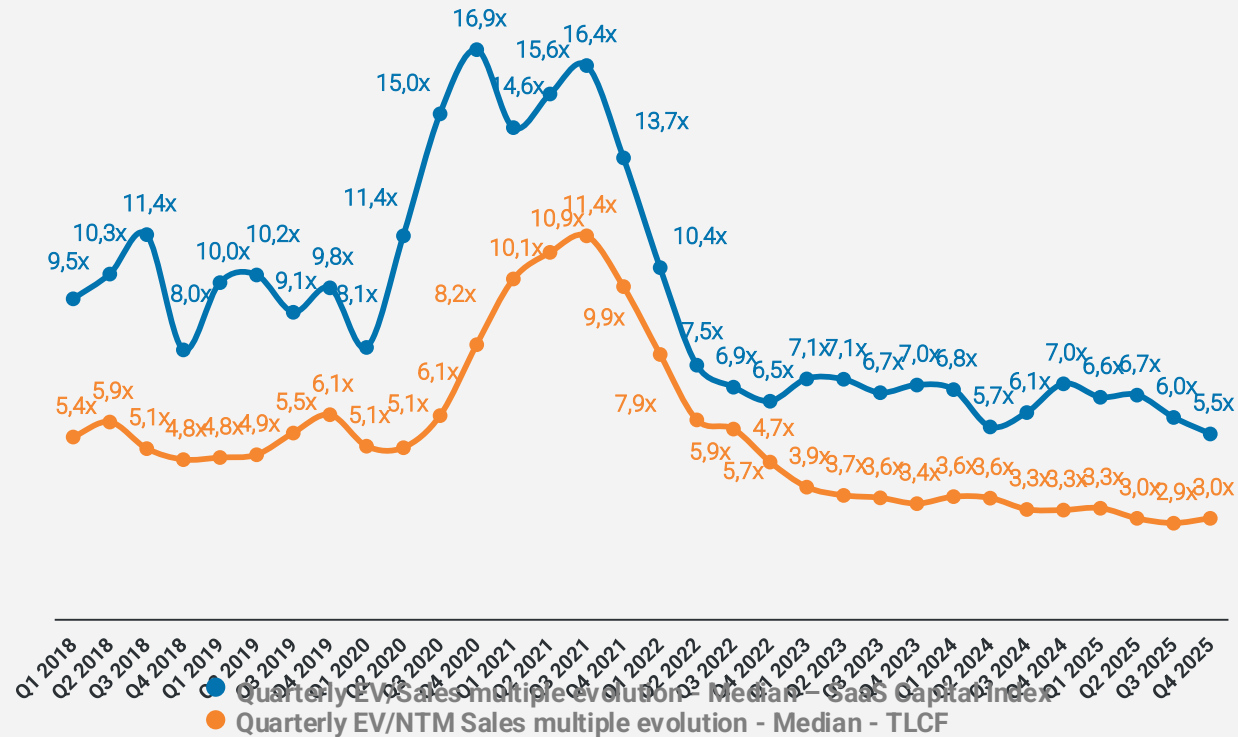


Source: mergermarket.com / Capital IQ

# Quarterly EV / Sales Index

Small is beautiful. Median valuations for our sample companies are more stable despite a poor overall performance

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



The Next Twelve Months revenue multiple was slightly up in Q4 for the companies in our index. The median valuation stands at **3x NTM** revenue in Q4 2025.

Companies included in the SaaS Capital Index are trading at a median of 5.5x, yet another sharp drop compared to previous quarters. Median valuation in this Index, tracking larger corporation, has shown a strong downward orientation.

## Other takeaways:

- Revenue growth expected remains low, with a **median growth still below 10%**.
- Median NTM EBITDA margin stands at 15.9% for Q4 '25, in line with Q3 2025.
- This median R40 does not command any premium and shows a pretty poor performance across our sample companies.
- **This poor performance obviously impacts our index. The outcome must then be considered with caution.**

# The Rule of 40 (R40) in 2025

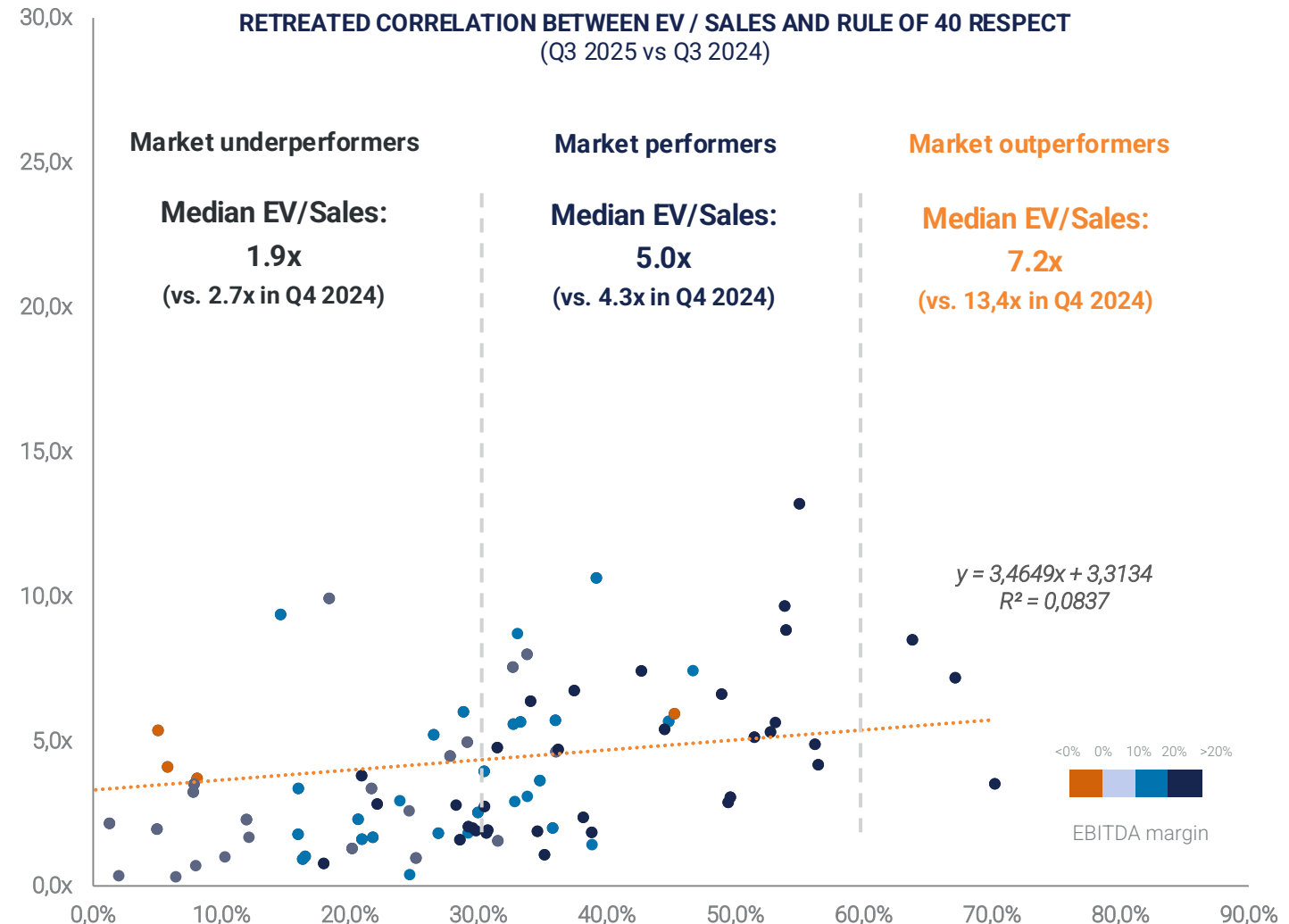
A deep dive in our data sample

The correlation analysis for our index highlights a weak ( $R^2 = 0.0837$ ) and positive (slope +3.47) relationship.

This suggests that the R40 is not a major explanatory factor for valuations for our sample companies.

Deep diving into the index, we have profitable but slow-growing companies (high R40 but low multiples), and others that are growing rapidly but are loss-making (low R40 but high multiples).

The market definitely values other criteria: top-line growth alone on the mid term (N+1 -> N+3, critical mass, sector positioning, or even revenue quality (churn, NRR).



Data from Capital IQ

# Quarterly EV / NTM Sales Index

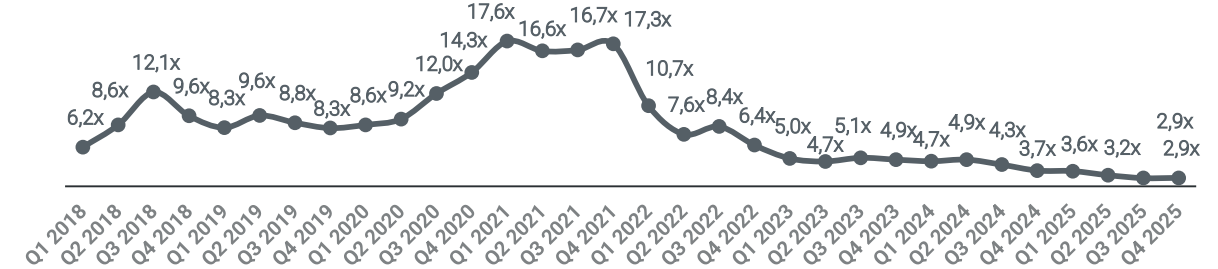
Regional deep dive:  
Who is leading the pack?

**USA:** Q4 saw no major change as to the economic and political environment. The Index reflects this again with **a steep decline in deal volume – down c.20% –** while the median valuation remained stable at **2,9x NTM**.

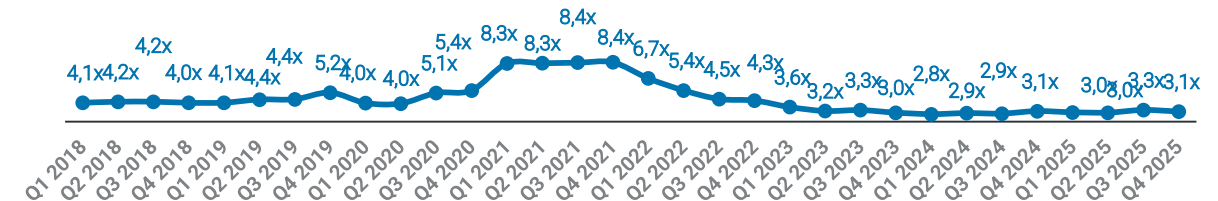
**Europe:** Stable deal volumes and valuation in Q4 in Europe at **3,1x NTM sales (c. -6%)**. This trend is not consistent across the continent, but **SaaS M&A has remained robust as Europe appears calmer and more predictable for now**.

**Rest of World:** Valuations of SaaS companies in the RoW hit a low, with a **Median valuation down to 2,6x NTM revenues**.

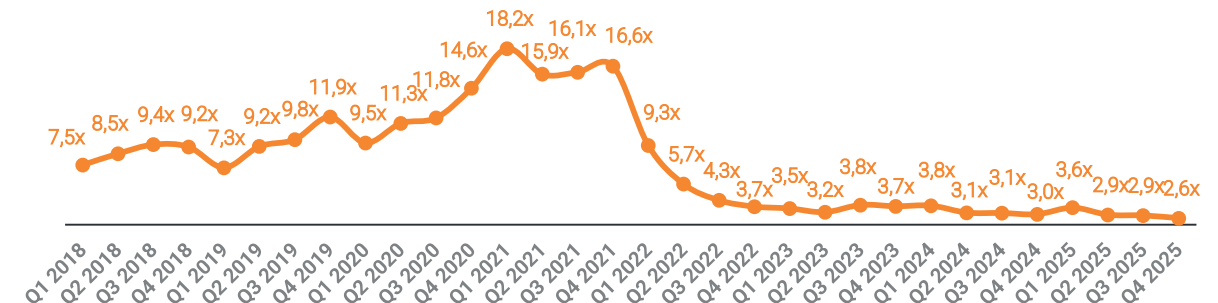
USA – QUARTERLY EV/NTM SALES MULTIPLE EVOLUTION (SAMPLE MEDIAN / 2018 – 2025)



EUROPE – QUARTERLY EV/NTM SALES MULTIPLE EVOLUTION (SAMPLE MEDIAN / 2018 – 2025)



ROW – QUARTERLY EV/NTM SALES MULTIPLE EVOLUTION (SAMPLE MEDIAN / 2018 – 2025)





03

# What's next for 2026?



# Growth continues, but capital allocation is increasingly selective

AI-driven budget reallocation reshapes the SaaS landscape

*SaaS is a subset of an accelerating overall software spend... with increasing budget trade-offs*



Gartner projects **\$1 433bn spending** in the global software market in 2026, representing **+15.2% vs. 2025**, underscoring a **robust software spending cycle heading into 2026**



Estimated spending for 2025 in cloud application services and SaaS within public cloud reached **\$299bn in 2025** according to Gartner, **+19.2% vs. 2024**, **anchoring an already very large base**

- In 2026, **software spending may continue to grow** while becoming **increasingly selective**
- Budgets may be absorbed by **price increases** (incl. GenAI add-ons) rather than **incremental seats**, as GenAI features become ubiquitous and costs rise

*AI is set to be a massive growth engine in 2026, but the AI tax and intensifying ROI pressure will create clear winners and losers*



Gartner projects **\$2 527.8bn** of AI spend in **2026** (+44% YoY), including **\$452.5bn** in AI software and, above all, **\$1 366.4bn** in AI infrastructure



AI shifts a significant portion of value toward **infrastructure** and **platforms** which can **compress customers' ability** to multiply "nice-to-have" SaaS subscriptions

- In 2026, the SaaS market can **perform well overall**, but the **spending mix is reshuffled**
- **Non-mission-critical SaaS** comes under pressure, while **SaaS tightly linked to AI** or "systems of action" capture a disproportionate share of value

Source: Gartner

# Revenue quality, not growth alone, drives SaaS value creation

Retention, pricing power and AI economics are the key differentiators in 2026



**NRR above 100% is now the median**, top performers reach 115 to 120%, and **median ARR growth** has stabilised around **20 to 30%** in a more disciplined environment



**AI adds margin pressure** through inference and cloud costs, but it can also unlock **meaningful productivity gains**, making a +75% post-AI gross margin a clear advantage



- **High retention and expansion** will count more than pure new logo acquisition.
- **Clear pricing power and disciplined monetisation models** will be attracting investors, with commercial efficiency (CAC payback) being scrutinised
- **Ability to monetise AI or offset AI costs** through productivity gains will be key



The **shift** towards **usage- and outcome-based pricing** is **real**, but **execution tends to be slower and riskier** than it is often portrayed



IDC argues that by 2028, **seat-based pricing could be obsolete**, with 70% of vendors shifting to consumption, outcome, or value-based models



- **Usage- and outcome-based pricing materially increases complexity** across metering, billing, revenue predictability, overage management, and procurement
- **Volatility shifts to the vendor**, and not all SaaS companies will execute this transition successfully in 2026–2027

Source: Gartner / IDC / Metronome / SaaS Capital / Benchmarkit

# SaaS valuation: multiples segment, they do not re-rate uniformly

Quality, durability and AI monetisation explain valuation spreads

*Public SaaS valuation multiples stabilise, well below historical peaks*



**Dispersion** across **SaaS valuations** remains **high**, driven by revenue quality and SaaS type, with **vertical SaaS typically trading at a premium** and scale still mattering

*Indicative NTM revenue multiples by SaaS profile (Base 100)*

60-100	100-140	140-180	160-240	+240
Commoditised SaaS	Solid horizontal SaaS	Vertical & mission-critical SaaS	Credible AI-enabled SaaS	Best-in-class platforms
- premium	40% premium	40%-80% premium	60%-140% premium	+140% premium

→ In 2026, **SaaS valuation spreads widen further** as quality and disciplined monetisation outweigh headline growth

*Security, privacy and compliance are now structural spending drivers*

- According to Gartner, as cited by ITPro, global **cybersecurity** spending is projected to reach around **\$240bn in 2026** (+12% vs. 2025)
- ISACA survey points out that 26% of privacy professionals expect a **material privacy breach in 2026** amid budget, staffing and regulatory pressure
- Wiz's CISO Budget Benchmark 2026 reports that **85%** of organisations **increased cyber budgets** this year, and nearly 90% expect further increases in 2026

→ Favours SaaS **platforms focused on trust, security and compliance**, but it can also **lengthen sales cycles** particularly for mid-cap vendors

Source: Gartner / ITPro / ISACA / CISO Budget Benchmark 2026

04

# Translink CF TMT industry expertise

# Translink CF TMT Specialists

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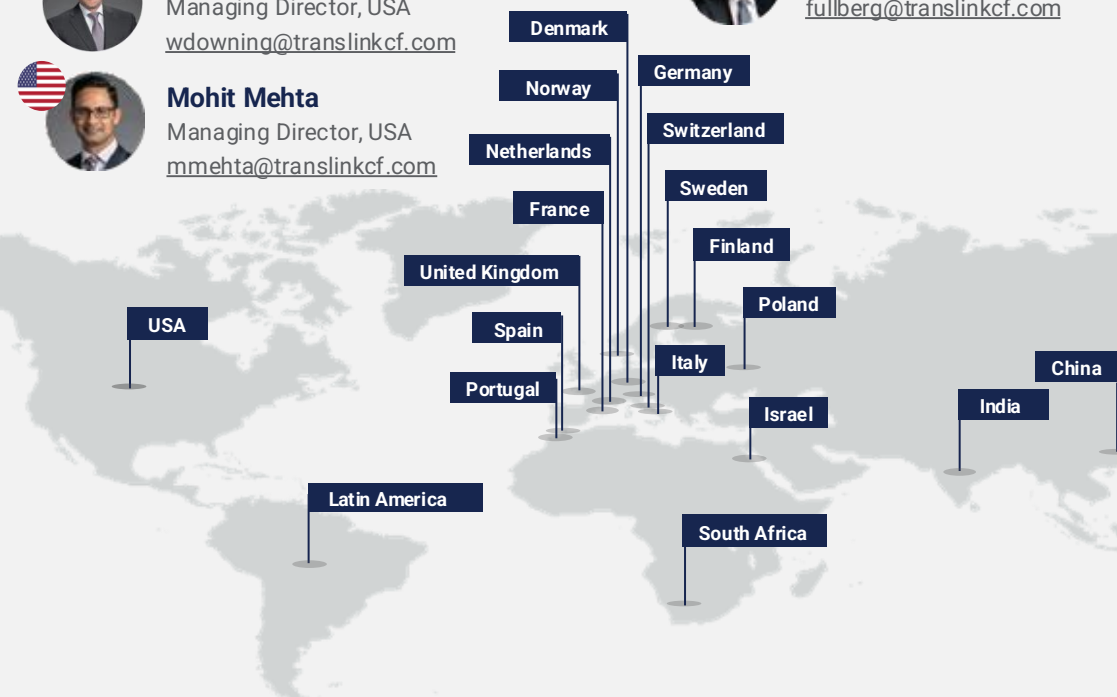
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## Translink CF

### Recent SaaS deals (1/3)

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

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### Recent SaaS deals (2/3)

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## Translink CF

### Recent SaaS deals (3/3)

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<p><b>TMT</b></p> <p>Germany</p> <p><b>COHEMI</b> Consulting with Heart and Mind a portfolio company of SILVER INVESTMENT PARTNERS</p> <p>acquired <b>sycoor</b> IQ solutions GmbH a subsidiary of <b>sycoor</b> GmbH</p> <p><b>TRANSLINK</b> CORPORATE FINANCE Advisor to the buyer</p>	<p><b>TMT</b></p> <p>Norway   France</p> <p><b>VISMA</b></p> <p>acquired</p> <p><b>MyCompanyFiles</b></p> <p><b>TRANSLINK</b> CORPORATE FINANCE Advisor to the buyer</p>	<p><b>TMT</b></p> <p>Denmark</p> <p><b>Gostotech ApS</b></p> <p>acquired</p> <p><b>sPeople</b></p> <p><b>TRANSLINK</b> CORPORATE FINANCE Advisor to the seller</p>	<p><b>TMT</b></p> <p>France   Canada</p> <p><b>HR Path.</b> Your way to people success</p> <p>acquired</p> <p><b>GroupeX</b> SOLUTIONS</p> <p><b>TRANSLINK</b> CORPORATE FINANCE Advisor to the buyer</p>	<p><b>TMT</b></p> <p>Denmark   Sweden</p> <p><b>pamir.</b></p> <p>acquired</p> <p><b>PCSCHEMATIC</b></p> <p><b>TRANSLINK</b> CORPORATE FINANCE Advisor to the seller</p>
<p><b>TMT</b></p> <p>UK   United States</p> <p><b>ieDigital</b></p> <p>acquired</p> <p><b>connect</b></p> <p><b>TRANSLINK</b> CORPORATE FINANCE Advisor to the seller</p>	<p><b>TMT</b></p> <p>France   United Kingdom</p> <p><b>eagle eye</b></p> <p>acquired</p> <p><b>UNTIE NOTS</b></p> <p><b>TRANSLINK</b> CORPORATE FINANCE Advisor to the seller</p>	<p><b>TMT</b></p> <p>United Kingdom</p> <p><b>Kortext</b></p> <p>invested in</p> <p><b>SOLUTIONPATH</b></p> <p><b>TRANSLINK</b> CORPORATE FINANCE Advisor to the seller</p>	<p><b>TMT</b></p> <p>United States</p> <p><b>magna5</b> a portfolio company of <b>NEWSPRING</b></p> <p>acquired <b>Interphase</b> www.interphasemed.com</p> <p><b>TRANSLINK</b> CORPORATE FINANCE Advisor to the seller</p>	<p><b>TMT</b></p> <p>Finland   Sweden</p> <p><b>DMC Stena</b></p> <p>acquired</p> <p><b>SUORA</b> Live Broadcasting Company</p> <p><b>TRANSLINK</b> CORPORATE FINANCE Advisor to the seller</p>

05

# Appendix

## 05 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.**





An aerial view of a city street at night, overlaid with a semi-transparent blue filter. The background is filled with various digital and financial icons, including bar charts, pie charts, globes, and currency symbols. In the center, a large heart shape is formed by a grid of small squares. The word 'TRANSLINK' is written in large, white, sans-serif capital letters, with the 'S' being orange. Below it, 'CORPORATE FINANCE' is written in smaller, white, sans-serif capital letters, followed by a trademark symbol (TM).

# TRANSLINK

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