



TRANSLINK

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

TRANSLINK CF SaaS VALUATION INDEX

Q1 2025

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Introduction



Deal volumes and valuation tumble

Q1 FY 2025 marks a change from the past quarters: amidst general concerns about the economy, the SaaS sector was not spared

Deal volumes have slightly declined in Q1 25 (-2,41%), following the trend already observed in Q4 2024. Overall, volume remains high, with the USA now leading the pack in front of Europe. The dynamic between the two geographies has changed over Q1 25, with USA showing more traction when Europe was on the brake.

Q1 2025 saw just below 1 600 deals completed. Deal volume remains well above the 6-year average (*c.1 200 deals per quarter*), confirming sustained investor and peer interest in the SaaS sector.

Valuations remain at a median of 3,3x NTM revenues. **A deeper dive into the numbers reveals the wide valuation gap between SaaS players, depending on their financial health.**

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

1 576

deals in SaaS for Q1 FY'25

1 615

deals in SaaS for Q4 FY'24 (-2,4%)

154

SaaS
companies
included in our
SaaS Index

EV from

3,6x
Revenues ⁽¹⁾
(Q1 2024)

|| TO

3,3x
Revenues ⁽¹⁾
(Q1 2025)

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.



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 Q1 update

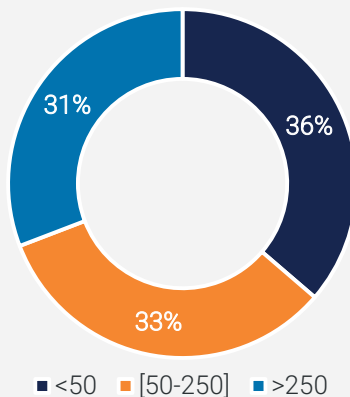
Our index – updated for 2025

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.

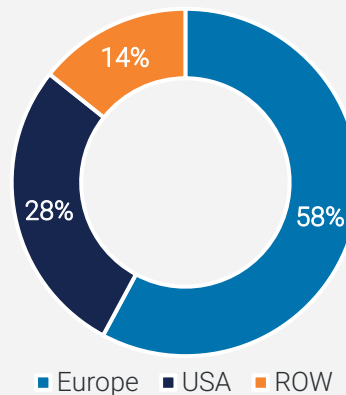
Our index studies **154 SaaS companies listed in Europe, the USA and the rest of the world (RoW)**. Differentiated from other indexes, the Translink SaaS Valuation Index **provides an ideal benchmark for private small-to-mid-market B2B SaaS companies in Europe, with 58% of the total sample of constituents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

REVENUE LTM (€M)

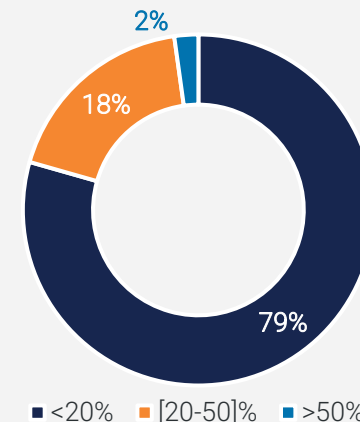


Our sample has remained consistent over the period in terms of size distribution. In Q1, 36% of the companies were below €50m and 69% below €250m in revenue.

GEOGRAPHICAL DISTRIBUTION OF SAMPLE (%)



GROWTH REVENUE LTM (€M)



Throughout the 2025 year, our sample has shown limited growth, with just over 20% of the companies growing +20% YoY.

Volume has been growing in 2024

6 703

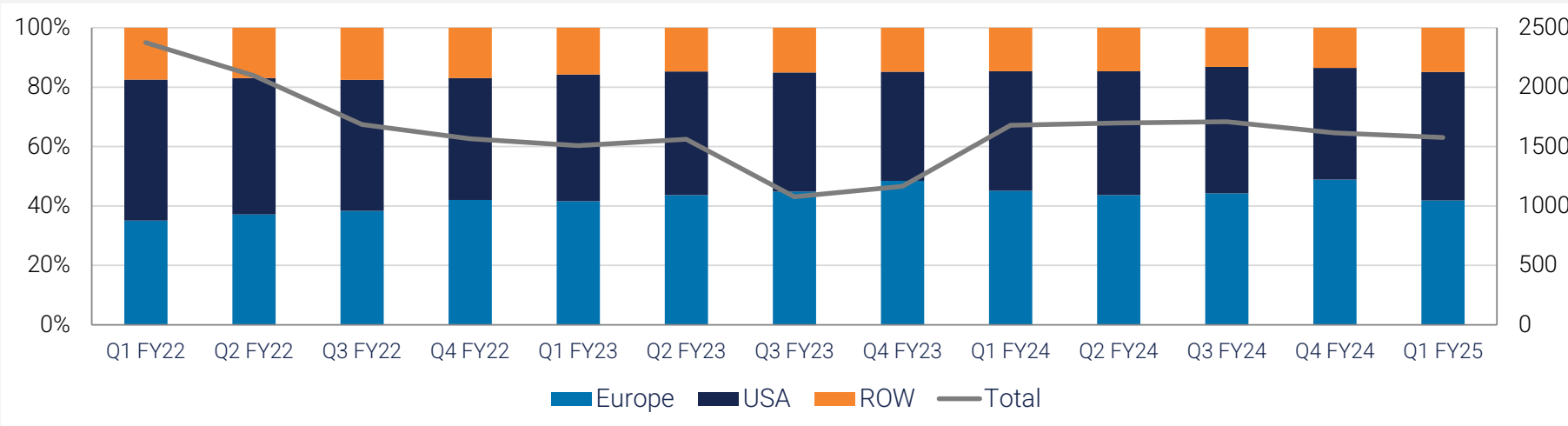
deals in SaaS in 2024
+26,18%

vs.

5 312

deals in SaaS in 2023

Except for 2022, 2024 saw the highest deal volume in the SaaS sector over the past 7 years

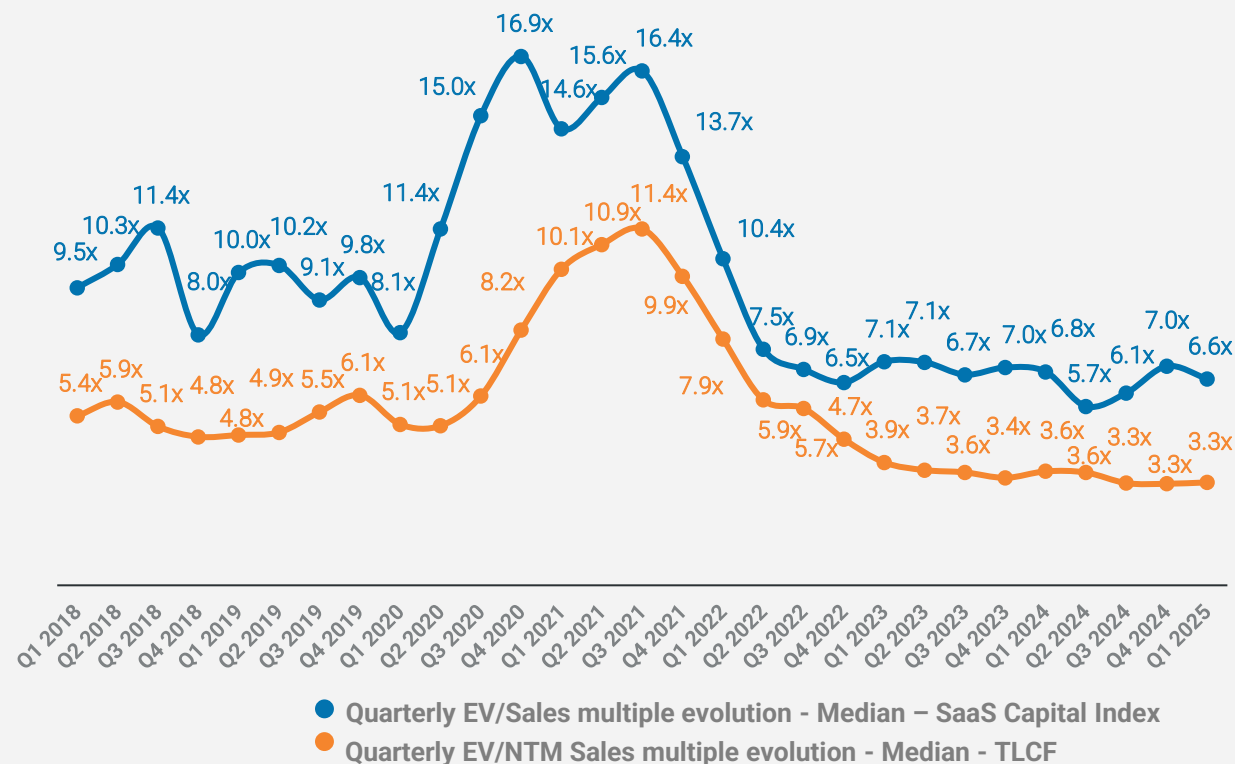


Source: mergermarket.com / CapitalIQ

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 Next Twelve Months revenue multiple was stable in Q1 for the companies in our index. The median valuation stands at **3,3x NTM revenue** in Q1 2025.

Companies included the SaaS Capital Index seem to be more volatile and have reacted more to the news flow of Q1, falling back to 6.6x.

Other takeaways:

- This year, revenue growth in our index is expected to remain low, with a median growth of c.10%, suggesting that expectations remain cautious
- Median valuations hide a wide variety of situations: the market is not a one-size-fits-all!
- Strong premiums are paid for high R40 companies
- Vertical software trades at higher multiples

The Rule of 40 (R40) in 2025

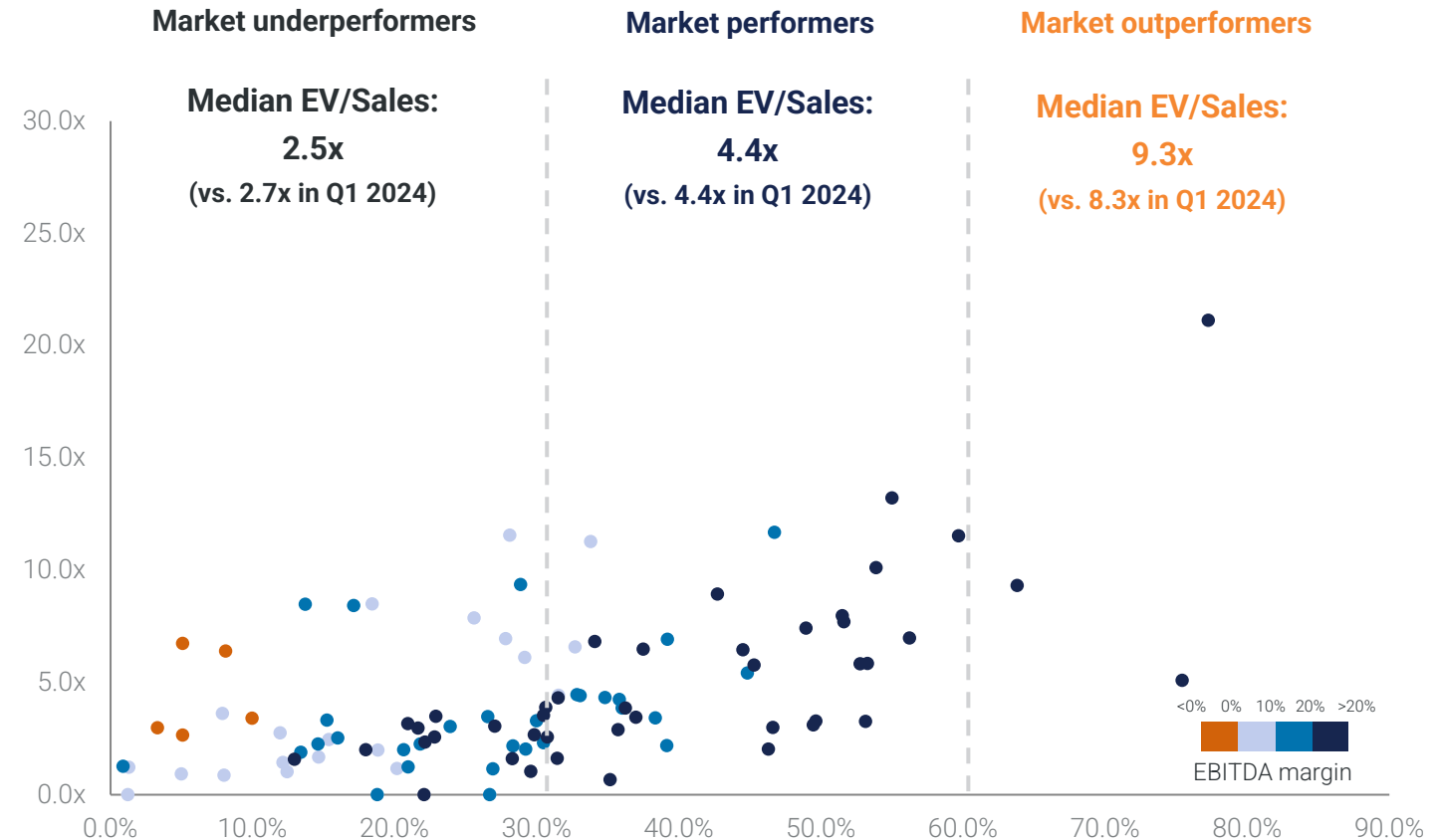
A selective market, still!

SaaS companies that showed a R40 above 60 traded with a strong average premium, as shown in our previous reports. The premium is lower this quarter. **Actually, it is hard to draw a conclusion from our sample of companies as the global performance for Q1 has been quite poor overall.**

We also note that there are **very few outperformers this quarter**. They rely on a **median NTM EBITDA margin of 51,7%**, and a **growth anticipated at +25,6%** (lower than Q4 last year).

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

RETREATED CORRELATION BETWEEN EV / SALES AND RULE OF 40 RESPECT
(Q1 2025 vs Q1 2024)



Data from CapitalIQ

Quarterly EV / NTM Sales Index

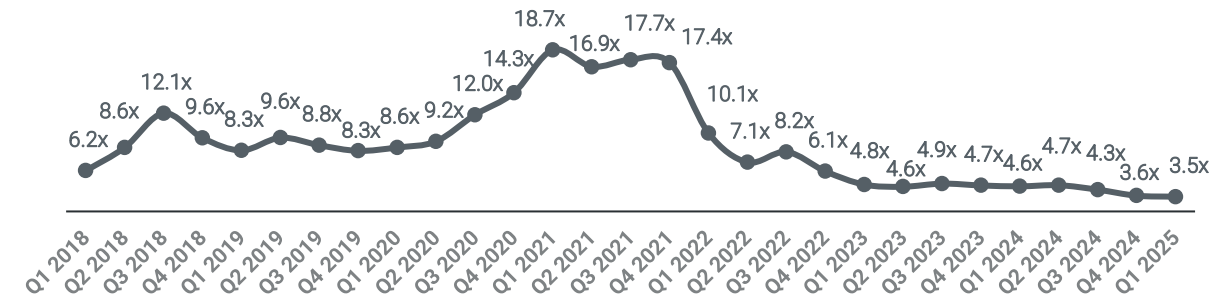
Regional deep dive:
Who is leading the pack?

USA: In Q1, uncertainty skyrocketed in the USA with a series of announcements that shook the entire tech community! Our Index doesn't reflect this so much, while the SaaS Capital Index showed more impact on US SaaS businesses. A slight decrease to **a record low median of 3,5x NTM revenues is still to be noted.**

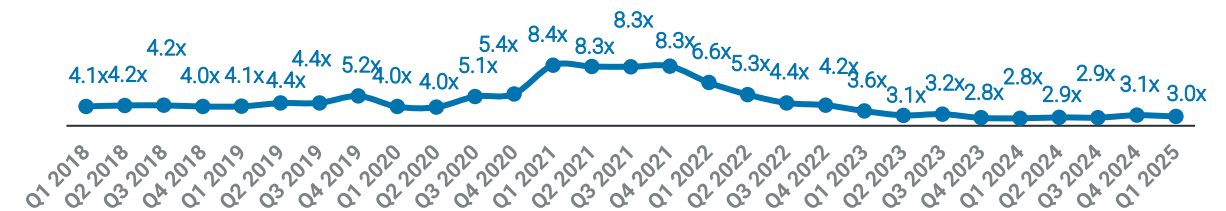
Europe: The continued strong deal flow came together with another decrease in the median valuation, now down to **3x NTM sales.**

Rest of World: Valuations of SaaS companies in the RoW increased significantly, most likely benefiting from the economic war started by the USA with the larger economies. **Median valuation topped a year high of 3,6x NTM revenues.**

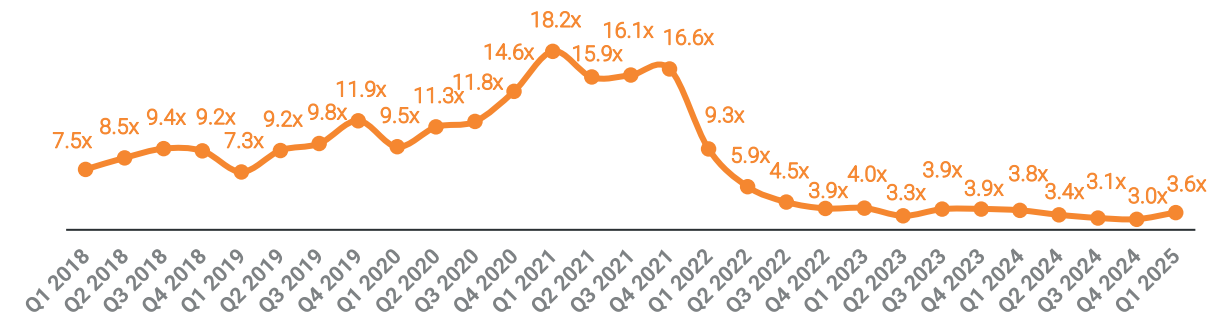
USA – QUARTERLY EV/NTM SALES MULTIPLE EVOLUTION (SAMPLE MEDIAN / 2018 – 2024)



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



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



03

Translink CF TMT industry expertise

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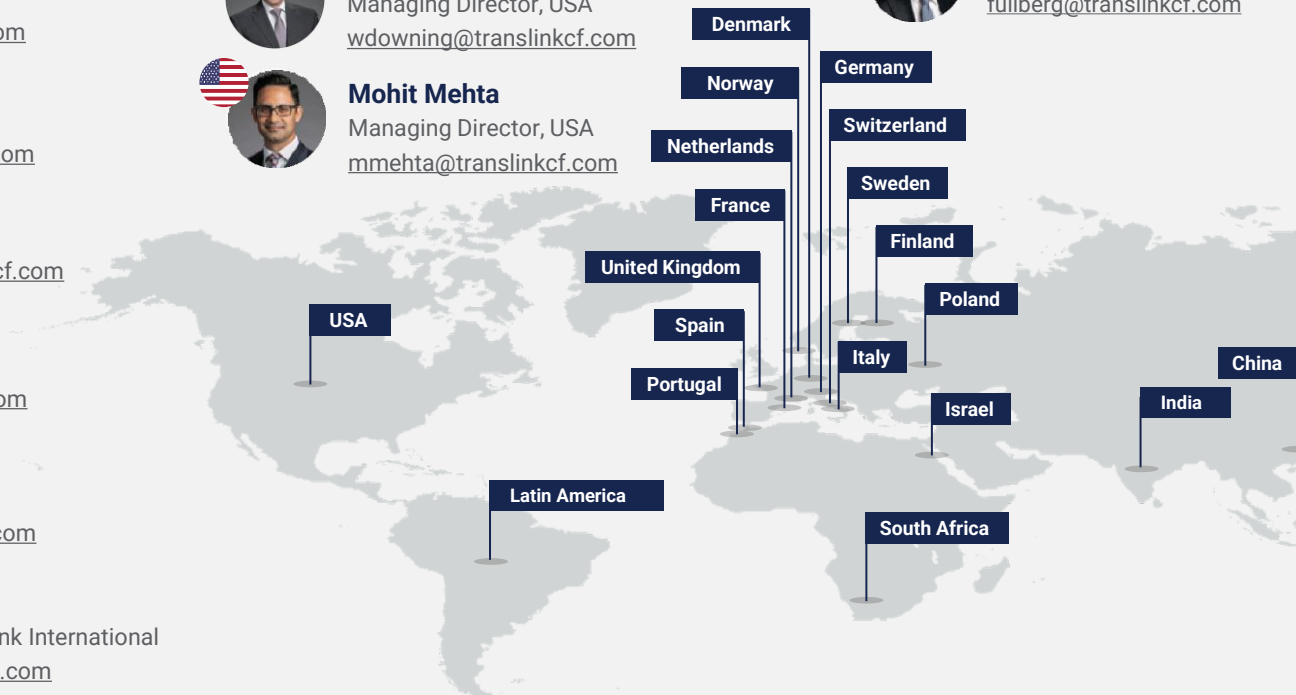
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Recent SaaS deals (1/3)

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

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



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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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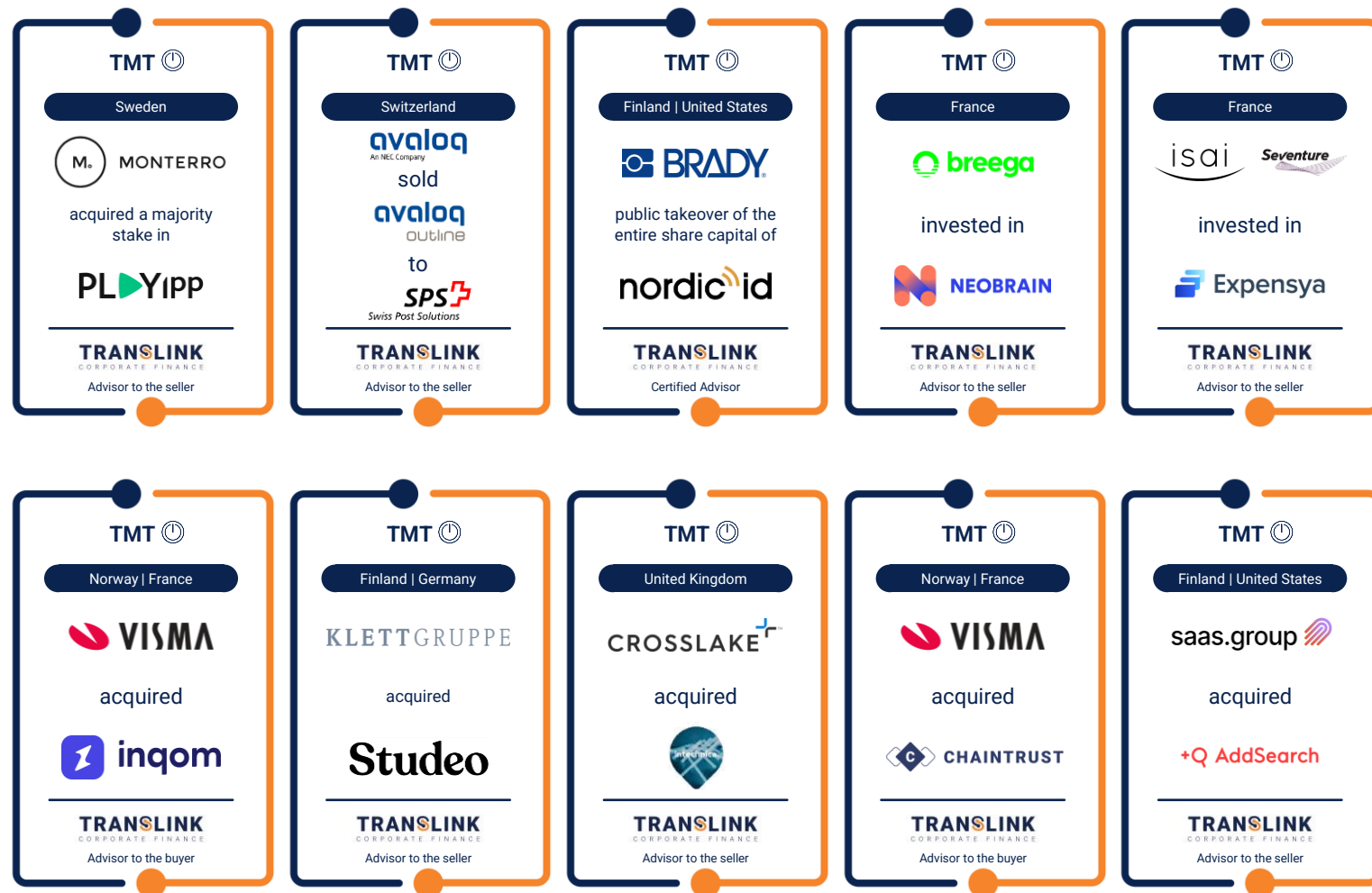


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Recent SaaS deals (3/3)

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

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04

Appendix



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.





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Portugal | Singapore | South Africa | Spain | Sweden | Switzerland | Turkey | UK | Uruguay | US | Morocco | Tunisia