



TRANSLINK

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

TRANSLINK CF SaaS VALUATION INDEX

Q2 2025

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Introduction

Deal volumes and valuation tumble

Q2 2025 confirms global concerns about the future, and SaaS companies are not spared

Deal volumes have maintained in Q2 25 (-0,44%), following the trend already observed in Q1 2025. Overall, volume remains high, with the USA now leading the pack ahead of Europe. The dynamic between the two geographies has changed over Q1 25, with the USA gaining more traction during the European summer break.

Q2 2025 saw just over 1,500 deals completed. Deal volume remains well above the 6-year average (*c.1 200 deals per quarter*), but less deals are completed as the general mood leans toward uncertainty.

Median valuation in our index falls at 3x NTM revenues, a 10% drop compared to Q1 2025. **Depending on their financial health, a wide valuation gap prevails between SaaS players exhibiting superb SaaS metrics and the others.**

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

1 569

deals in SaaS for Q2 FY'25

1 576

deals in SaaS for Q1 FY'25 (+0,44%)

154

SaaS
companies
included in our
SaaS Index

EV from

3,6x
Revenues ⁽¹⁾
(Q2 2024)

|| TO

3,0x
Revenues ⁽¹⁾
(Q2 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 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 Q2 update

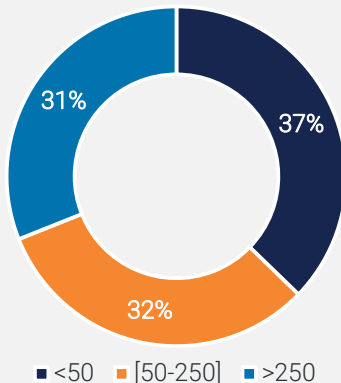
Our index – updated for 2025

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.

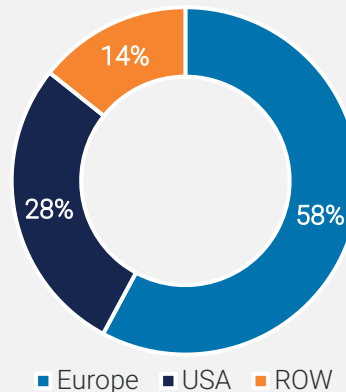
Our index studies **154 SaaS companies listed in Europe, the USA and the rest of the world (RoW)**. Differentiated from other indexes, the Translink CF SaaS Valuation Index **provides an ideal benchmark for private small-to-mid-market B2B SaaS companies in Europe, with 58% of the total sample of constituents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

REVENUE LTM (€M)

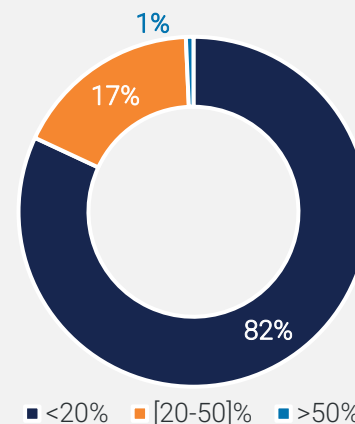


Our sample has remained consistent over the period in terms of size distribution. **In Q2, 37% of the companies were below €50m and 69% below €250m in revenue.**

GEOGRAPHICAL DISTRIBUTION OF SAMPLE (%)



GROWTH REVENUE LTM (€M)

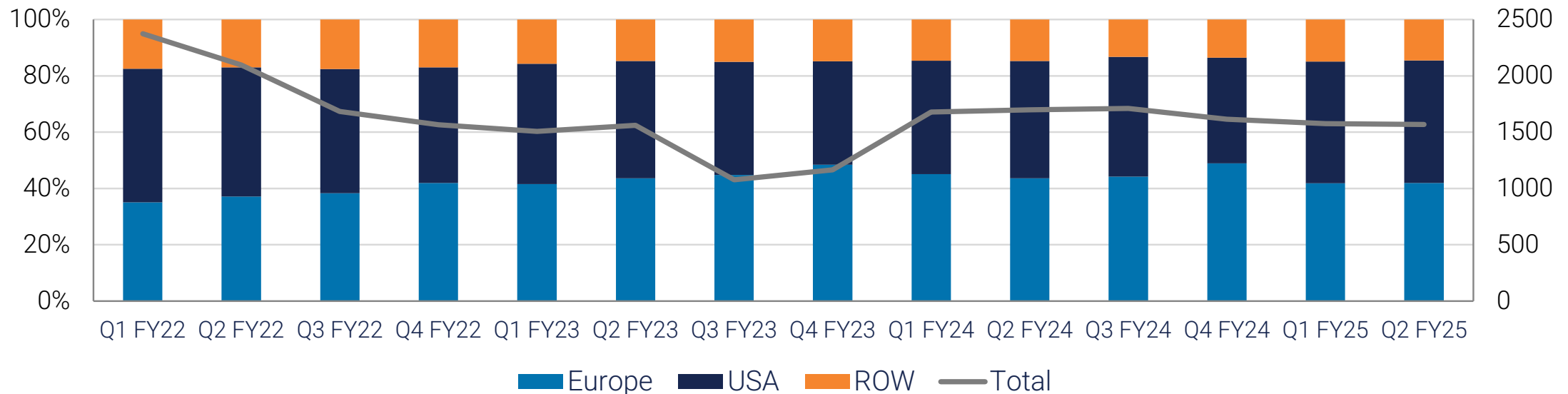


Throughout the 2025 year, our sample has shown limited growth, with just over 18% of the companies growing +20% YoY.

Volumes have been decreasing for close to a year

3 145 vs. **3 378**
 deals in SaaS in S1 2025
 -6,89%
 deals in SaaS in S1 2024

Deal volume remains high, above the past 6 years average. Still, **SaaS M&A is no stranger to the general caution in deal making**. The result is another quarter of contraction in deal volume.

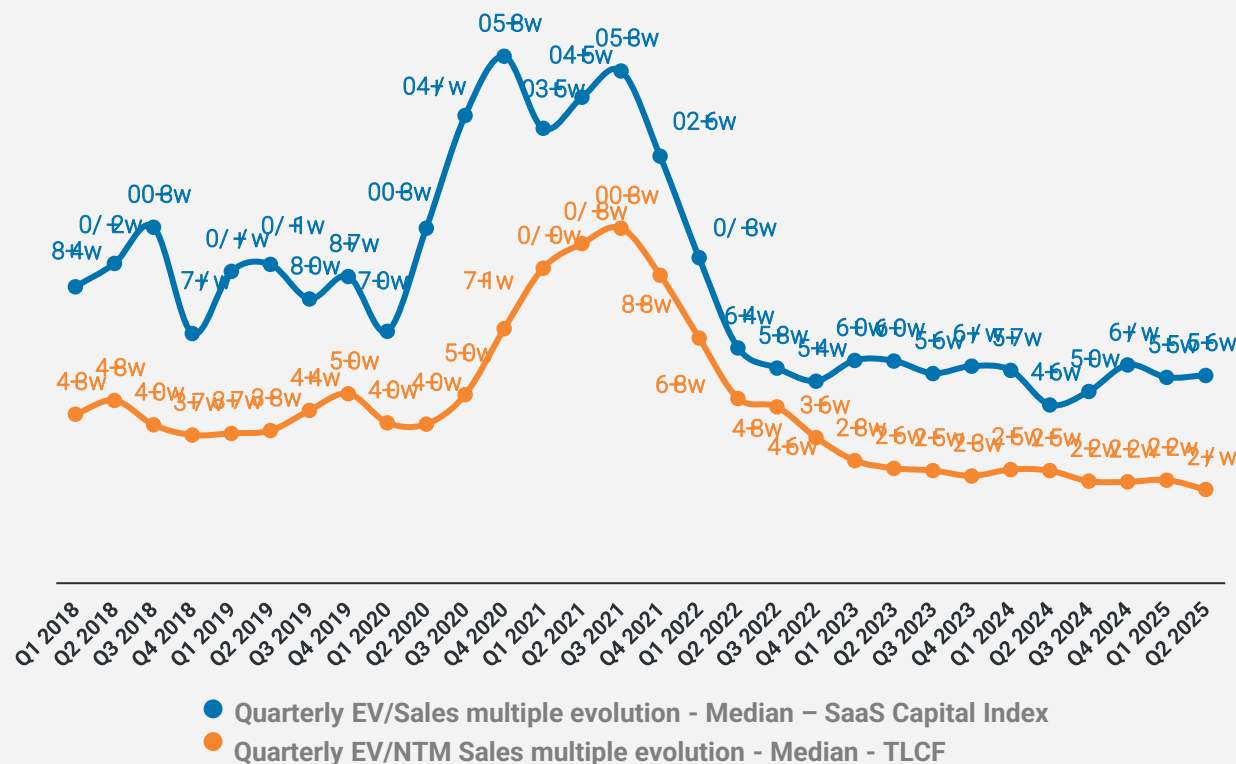


Source: mergermarket.com / CapitalIQ

Quarterly EV / Sales Index

Median valuations for our sample companies is suffering from the macro context

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



The Next Twelve Months revenue multiple was down in Q2 for the companies in our index. The median valuation stands at **3x NTM revenue** in Q2 2025.

Companies included in the SaaS Capital Index seem to have resisted better to this now established macro context. Could it be because of scale, with this sample being far bigger than the companies in our index?

Other takeaways:

- This year, revenue growth in our index is expected to remain low, with a **median growth now below 10% (!)**, down from the previous quarter.
- Median NTM EBITDA margin stands at 17,1% for Q2 25.
- This median R40 does not command any premium and shows a pretty poor performance across our sample companies.

The Rule of 40 (R40) in 2025

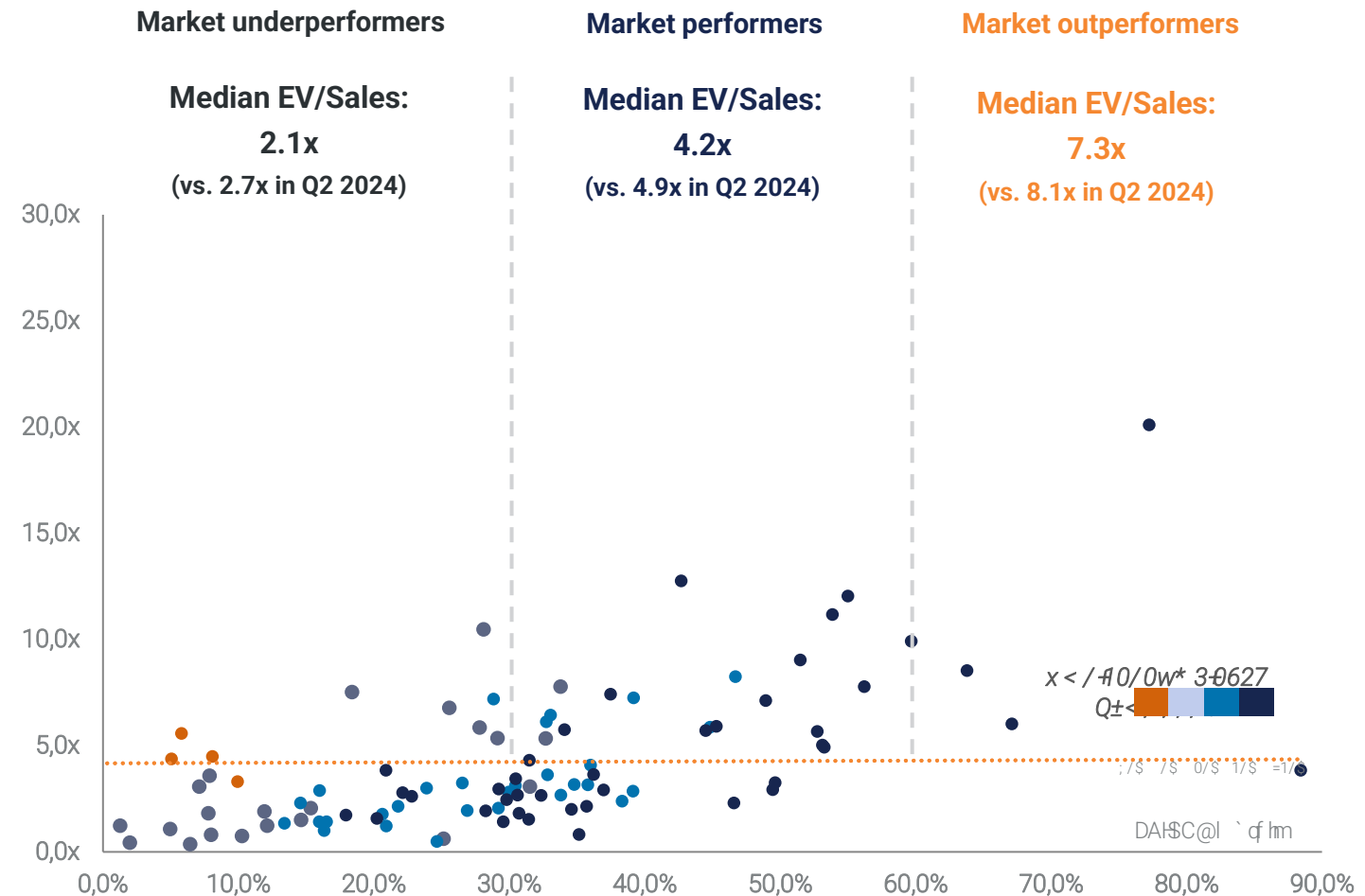
A selective market, still!

SaaS companies that showed a R40 above 60 traded with a strong average premium, as shown in our previous reports. The premium is again lower this quarter. **It is challenging to draw a conclusion from our sample of companies as the global performance for Q2 was poor overall.**

We also note that there are **very few outperformers this quarter**. They rely on a **median NTM EBITDA margin of 44,5%**, and a **growth anticipated at +28,1%** (lower than Q1).

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
(Q2 2025 vs Q2 2024)



Data from CapitalIQ

Quarterly EV / NTM Sales Index

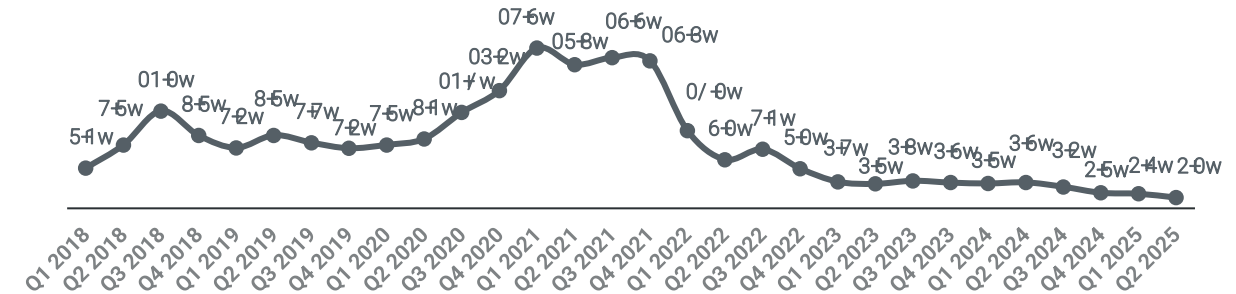
Regional deep dive: Who is leading the pack?

USA: In Q2, uncertainty remained under the spotlight, with continuous and ambiguous announcements that shook the entire tech community. Our Index reflects this now with a steep decrease in the median valuations, down to **3,1x NTM (-11,4%)**. It's a record low in the past 7 years. Volumes have built up because of an adjusted valuation approach.

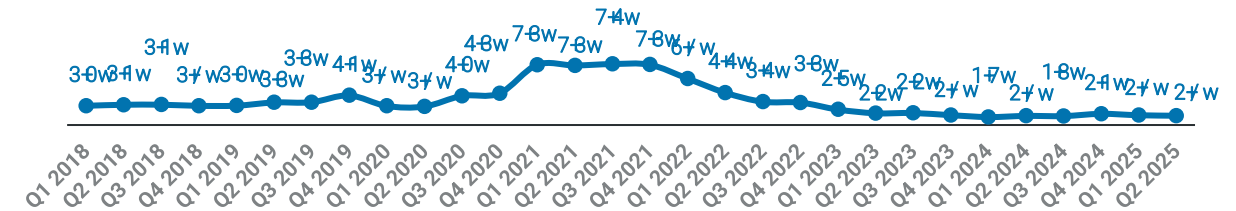
Europe: Stable deal volumes and median valuation in Q2 in Europe at **3x NTM sales**. This trend is not consistent across the continent, but **SaaS M&A has remained robust with little to no discount compared to USA companies**.

Rest of World: Valuations of SaaS companies in the RoW returned to "normal", with a **Median valuation topped at 2,9x NTM revenues**, similar to that of Q3 and Q4 2024.

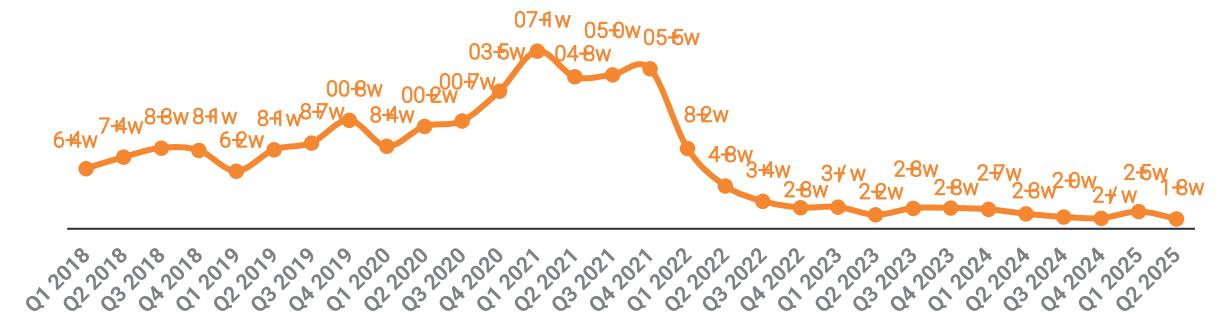
USA – QUARTERLY EV/NTM SALES MULTIPLE EVOLUTION (SAMPLE MEDIAN / 2018 – 2025)



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



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



03

Translink CF TMT industry expertise

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Recent SaaS deals (1/3)

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

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

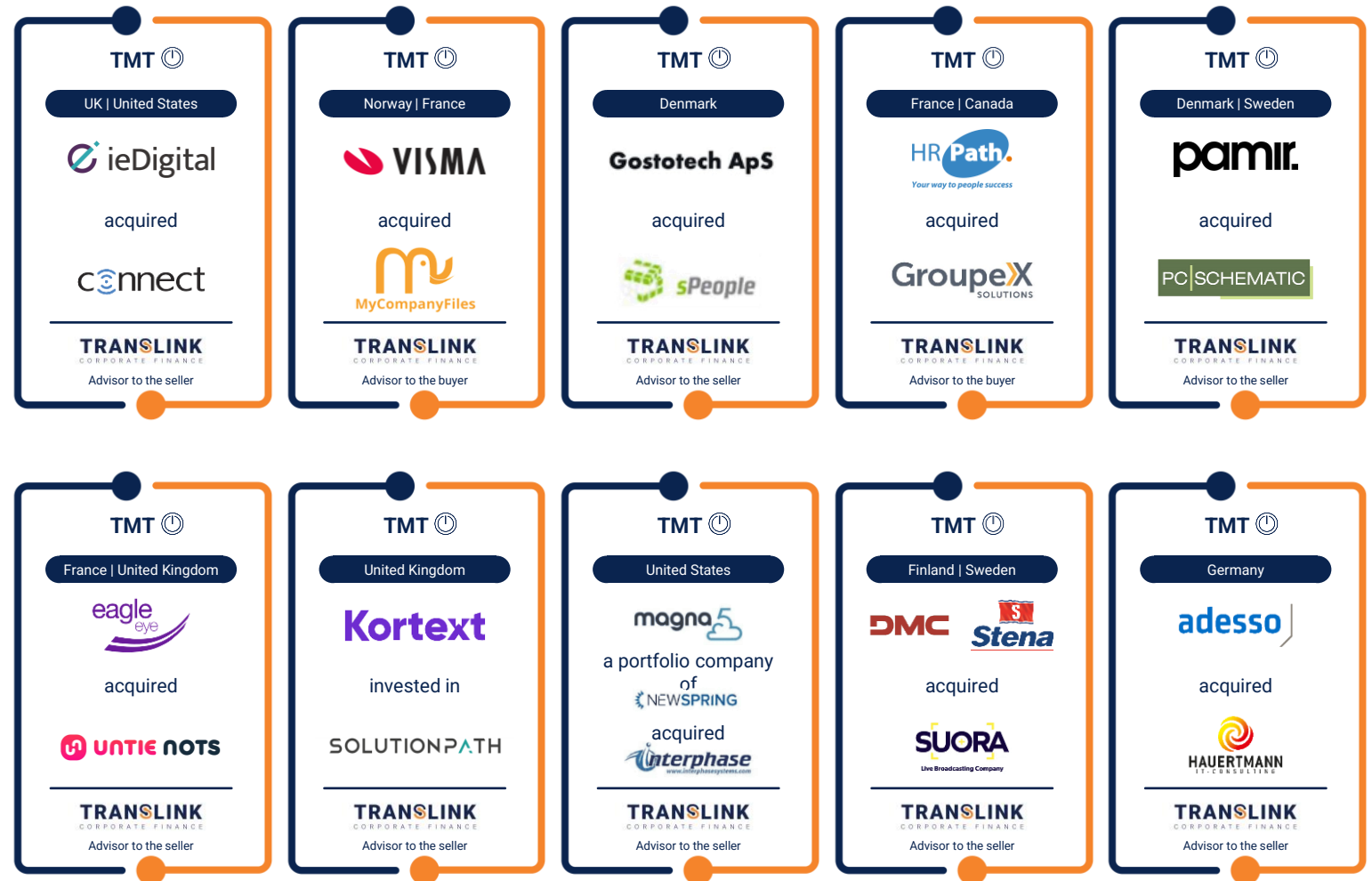


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Recent SaaS deals (2/3)

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Recent SaaS deals (3/3)

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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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