



TRANSLINK

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

TRANSLINK CORPORATE FINANCE SaaS VALUATION INDEX

Q2 2026

Disclaimer



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01

Introduction

The "SaaSpocalypse"

Valuations dipped in Q2 2026

The release of upgraded AI models in Q1 2026 created fears of a "SaaSpocalypse" – concern that whole SaaS companies, including some of the largest, were at risk of redundancy.

The argument was that the rise of AI agents and coding tools would allow businesses to build their own bespoke systems, reducing the need for outsourced software-as-a-service.

Investors adjusted their stock market positions, private equity investors panicked and vanished from open bids and strategic buyers went quiet. The shock was so deep that some insiders feared it was the end of the SaaS era.

The real story, however, is not quite as binary as the market reaction would suggest.

While AI has undoubtedly caused disruption, it also provides considerable value to some SaaS companies and can boost growth and profitability. The true question, therefore, is: where does your SaaS stand?

Median valuation in our index dipped to 2.4x NTM revenues. Yet again, medians and averages hide multiple realities, where top decile performers stand out more than ever.

Source: mergermarket.com / Capital IQ

(1): median EV / Next Twelve Months revenues

1 755

deals in SaaS for Q2 FY'26

1 627

deals in SaaS for Q1 FY'26 (+7,87%)

96

SaaS
companies
included in our
SaaS Index

EV from

2.9x

Revenues ⁽¹⁾

(Q1 2026)

TO

2.4x

Revenues ⁽¹⁾

(Q2 2026)

Meet the team



MARC IRISSON

Partner - Head of TMT Group

Marc is an M&A professional with over 15 years of experience. He co-founded Financiere Monceau back in 2011, now Translink Corporate Finance France, and heads up its Tech sector. Marc has completed dozens of transactions, both buy- and sell-side, with French and foreign clients and has participated in a wide variety deals within the Tech sector. He started his career as an analyst with MK Finance. He holds an MBA from Georgia State University, Atlanta, USA.



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

02

SaaS Valuation Index Q2 update

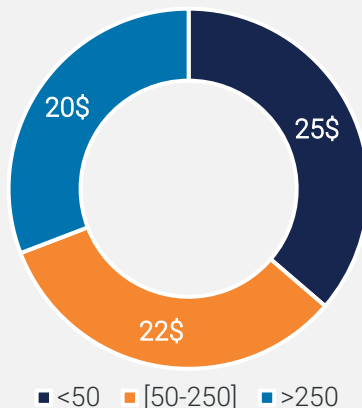
Our index – updated for 2026

A representative portfolio of SaaS companies across all continents: Update 2026

The index is designed to provide small and mid-size SaaS company owners with information that will enable them to assess the value of their business.

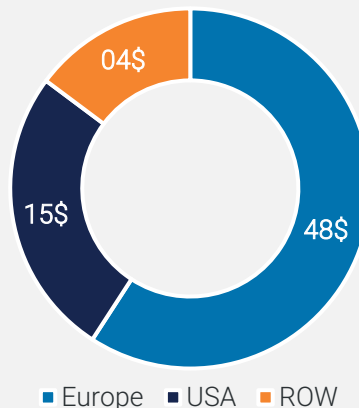
It studies **96 SaaS companies listed in Europe, the USA and the rest of the world (RoW)**. Differentiated from other indexes, the Translink Corporate Finance SaaS Valuation Index **provides an ideal benchmark for private small-to-mid-market B2B SaaS companies in Europe, with 59% of the total sample of constituents matching this profile.**

REVENUE LTM (€M)

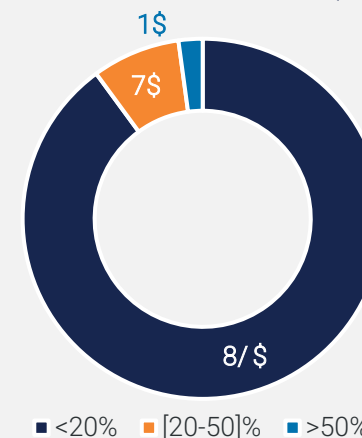


Our sample has remained consistent over the period in terms of size distribution. **In Q2, 36% of the companies were below €50m and 69% below €250m in revenue.**

GEOGRAPHICAL DISTRIBUTION OF SAMPLE (%)



GROWTH REVENUE LTM (€M)



Throughout the H1 2026, our sample has shown limited growth, with **just over 10% of the companies growing +20% YoY**. Growth has slowed down all over the world.

Volumes were on the rise in H1 2026

3,382

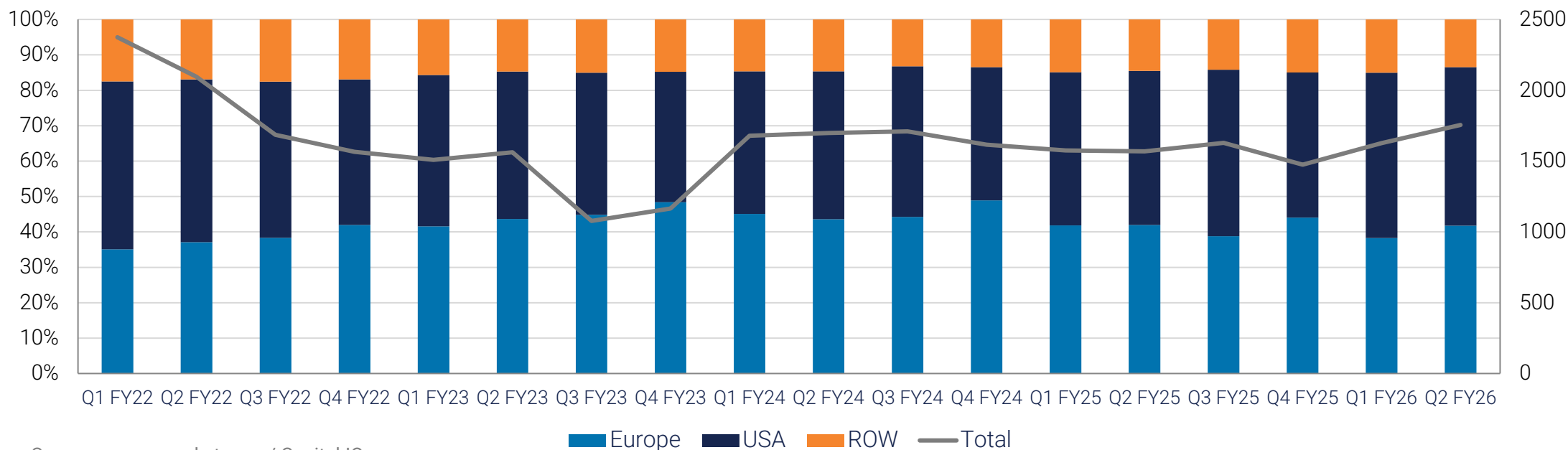
deals in SaaS in H1 2026
+7,53%

vs.

3,145

deals in SaaS in H1 2025

Deal volume remained **surprisingly high** according to our database sources. This trend will be monitored closely in the coming quarters.

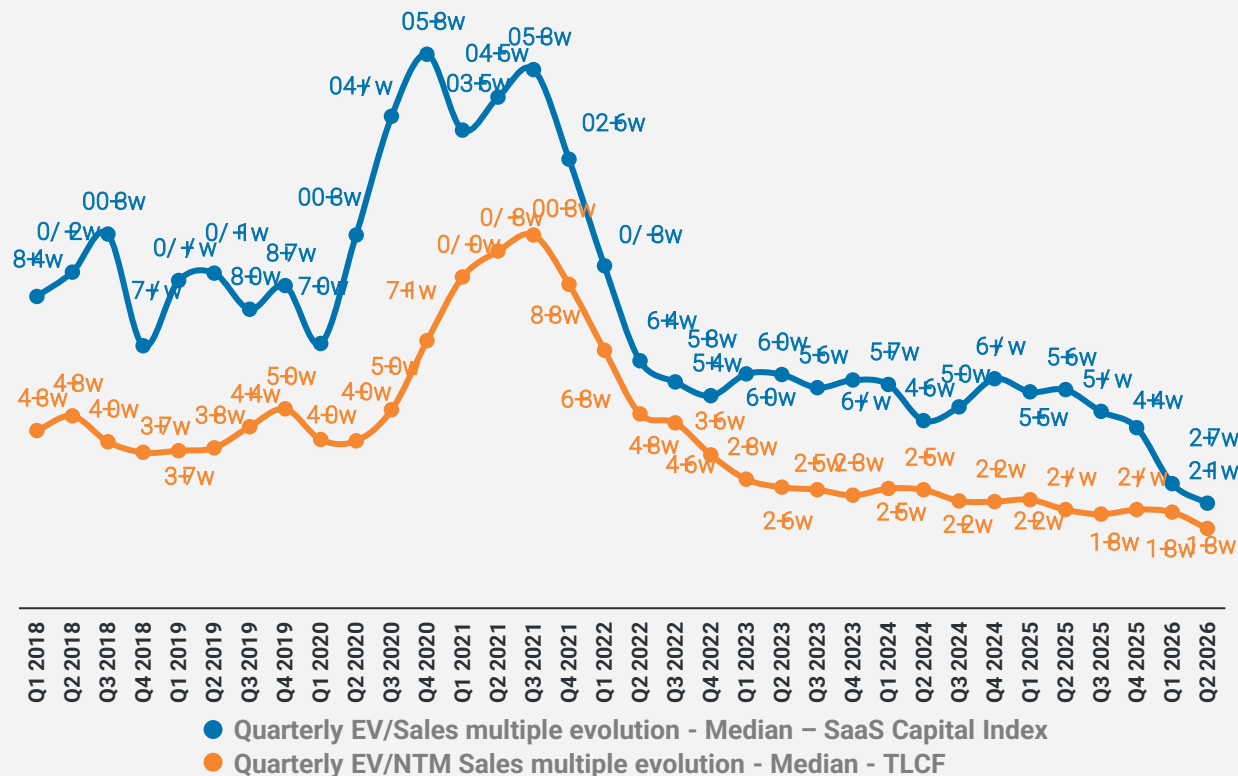


Source: mergermarket.com / Capital IQ

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 (NTM) revenue multiple tumbled in Q2 in the aftermath of SaaSocalypse. The median valuation stands at **2.4x NTM** revenue in Q2 2026, down 20%.

Companies included in the **SaaS Capital Index** are trading at a **median of 3.2x**, down **41.8% from Q4 2025**. 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 below 5%**.
- Median NTM EBITDA margin stands at 16.8% for Q2 '26, +1pt from last quarter
- 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 2026

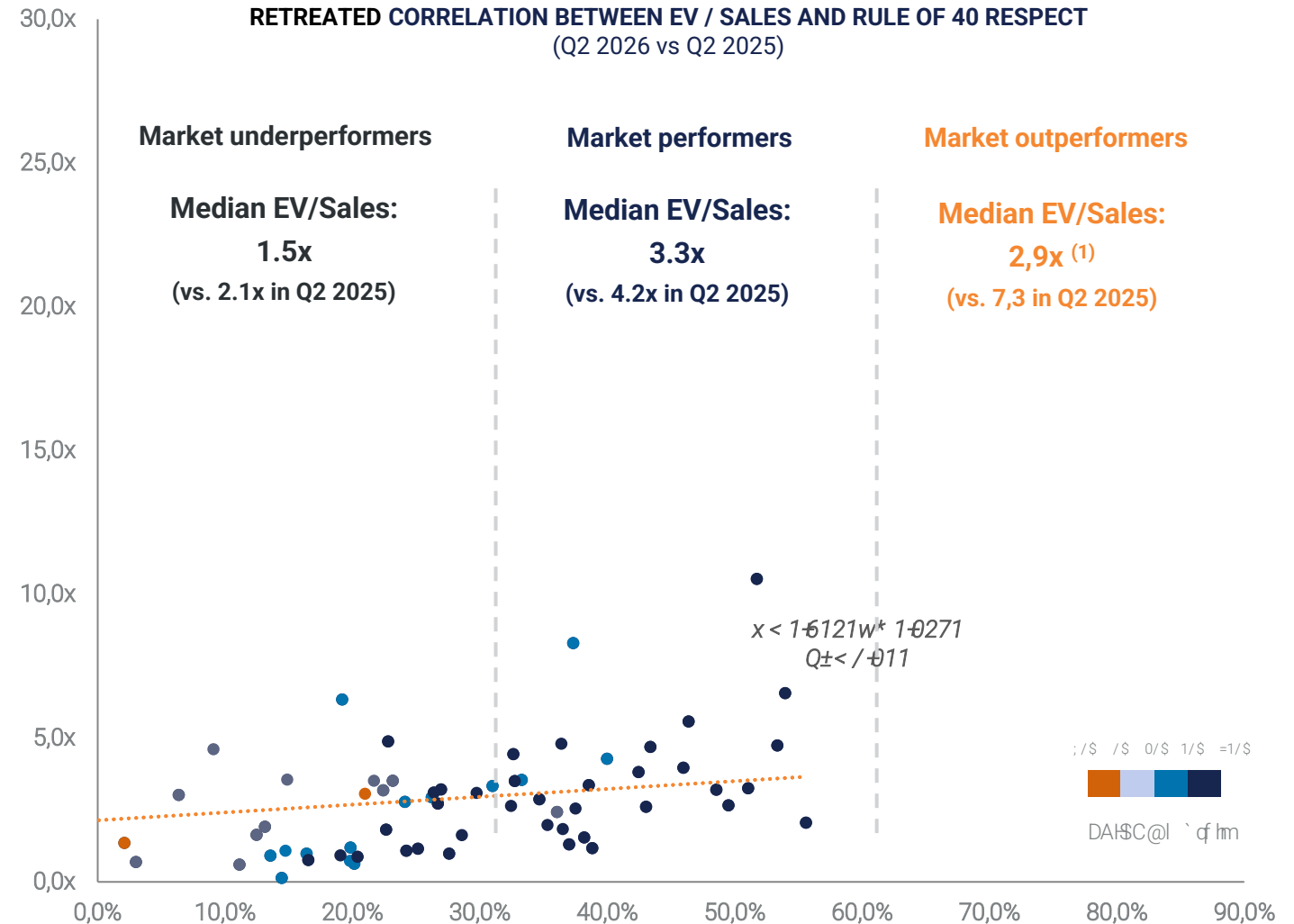
A deep dive into our data sample

The correlation analysis for our index highlights a weak ($R^2 = 0.122$) and positive (slope +2.72) relationship. Correlation has improved from last quarter.

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). AI is also a major driver of valuations.



(1) There was only one « outperformer » in our index this quarter, exhibiting a R40 > 60.

Data from Capital IQ

Quarterly EV / NTM Sales Index

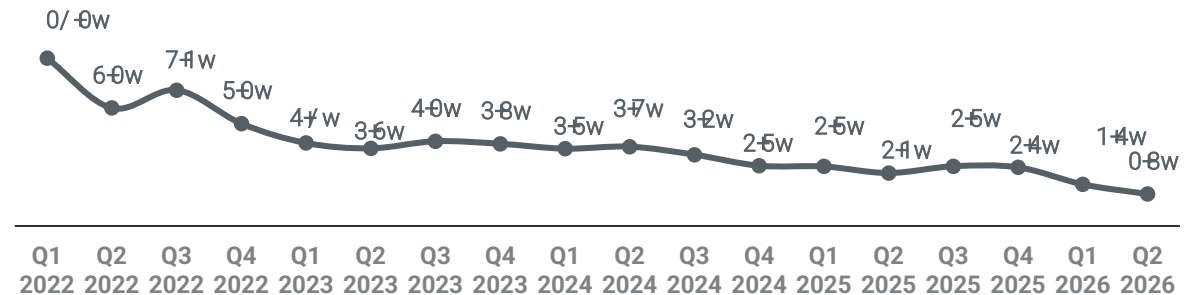
Regional deep dive:
Who is leading the pack?

USA: Q2 recorded the highest drop in valuation for our sample since 2022, with median valuation down 24% compared to Q1. The surprise came from a stable volume of deals in the USA, still leading the pack worldwide despite strong challenges on EV.

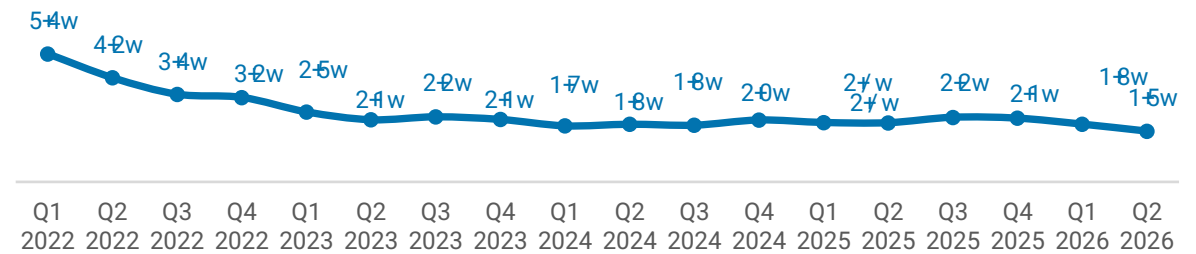
Europe: Equally surprising is the number of deals in Europe, growing +17% in Q2. Europe had the strongest performance in terms of valuation with only -10% in Q2. Again, SaaS M&A has remained robust as Europe appears calmer and more predictable for now.

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

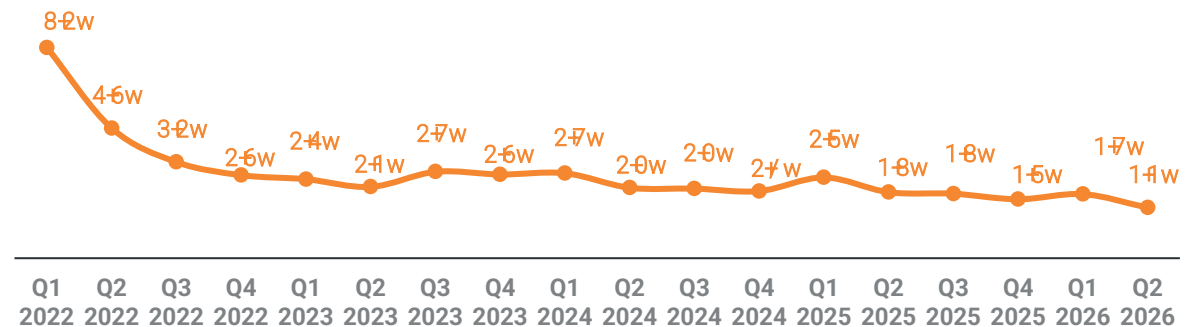
USA – QUARTERLY EV/NTM SALES MULTIPLE EVOLUTION (SAMPLE MEDIAN / 2022 – 2026)



EUROPE – QUARTERLY EV/NTM SALES MULTIPLE EVOLUTION (SAMPLE MEDIAN / 2022 – 2026)



ROW – QUARTERLY EV/NTM SALES MULTIPLE EVOLUTION (SAMPLE MEDIAN / 2022 – 2026)





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 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 Corporate Finance Tech industry expertise

Translink Corporate Finance Tech Specialists

From 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



Alexandre Perez
Directeur, France
aperez@translinkcf.com



Christian Hörner
Partner, Germany
chorner@translinkcf.com



Anna Klein
Partner, Germany
aklein@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
Managing Director, USA
mmehta@translinkcf.com



Mikołaj Martynski
Director, Poland
mmartynski@translinkcf.com



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



Josep Pere Gutierrez
Partner, Spain
jpgutierrez@translinkcf.com



Fredrik Ullberg
Partner, Sweden
fullberg@translinkcf.com



Daniel Dolz
Associate Director, Switzerland
ddolz@translinkcf.com



Antoine Moser
Partner, The Netherlands
amoser@translinkcf.com



Aaron Lowery
Assistant Director, United Kingdom
alowery@translinkcf.com



Andy Haigh
Partner, United Kingdom
ahaigh@translinkcf.com



Hamish Morrison
Partner, United Kingdom
h Morrison@translinkcf.com



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



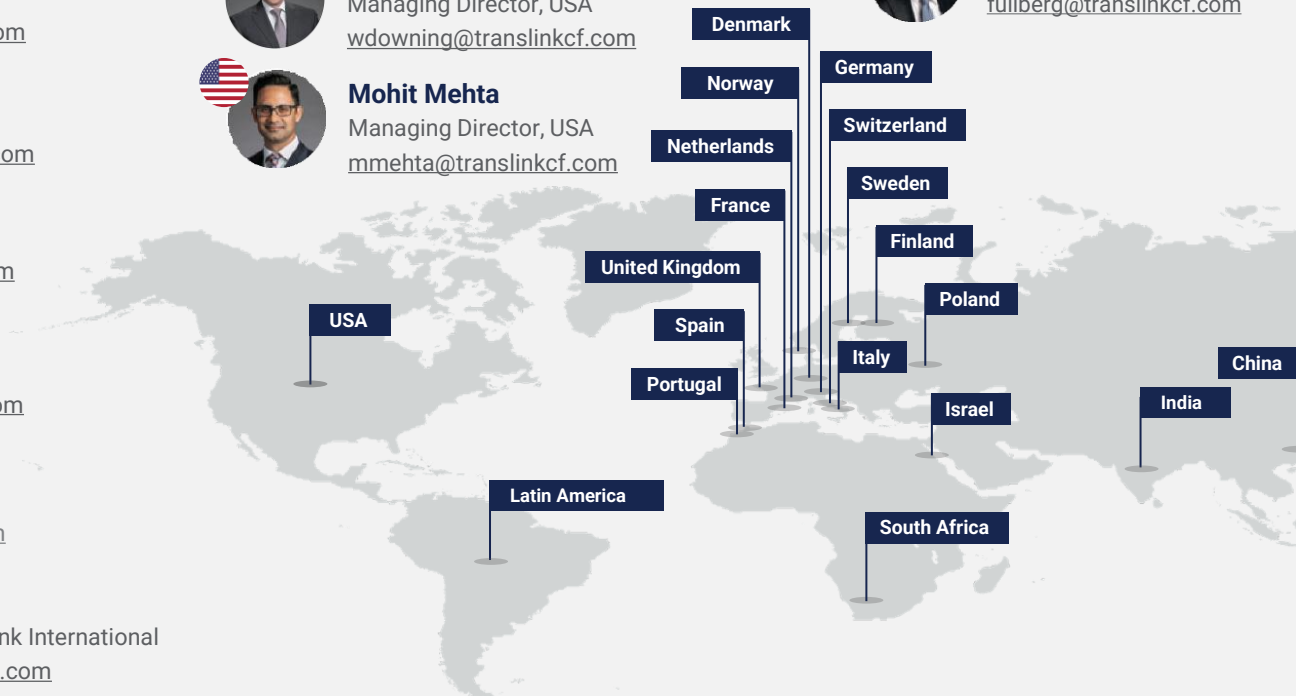
Janet So
Managing Director, China
jso@translinkcf.com



Pawan Lingayat
Vice President, India
plingayat@translinkcf.com



Pablo Bukin
Founding Partner, Argentina
pbukin@translinkcf.com



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Recent SaaS deals (1/3)

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<https://translinkcf.com/industry-sectors/tech/>

TECH ⓘ

JULY 2026

NORWAY | ITALY

 **VISMA**

acquired

 **FATTURAELETRONICA APP**

TRANSLINK
CORPORATE FINANCE™
Advisor to the buyer

TECH ⓘ

JUNE 2026

UNITED KINGDOM

 **Skøyen**
Software

acquired

 **bartec**
Municipal Technologies

TRANSLINK
CORPORATE FINANCE™
Advisor to the seller

TECH ⓘ

MARCH 2026

NORWAY | FRANCE

 **VISMA**

acquires a minority stake and enters into a strategic partnership with⁽¹⁾

 **fulll**

(1) subject to regulatory approvals

TRANSLINK
CORPORATE FINANCE™
Advisor to the buyer

TECH ⓘ

FEBRUARY 2026

SWEDEN

 **Standout Capital**

acquired

 **Smartsign**

TRANSLINK
CORPORATE FINANCE™
Advisor to the seller

TECH ⓘ

DECEMBER 2025

FRANCE

 **ISAGRI**
GROUPE

acquired

 **Carbon Diag**

TRANSLINK
CORPORATE FINANCE™
Advisor to the buyer

TECH ⓘ

DECEMBER 2025

SPAIN

 **DIVISADERO**
CAPITAL

acquired

 **VISUAL COUNTER**

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04 About Translink Corporate Finance and Tech Industry expertise

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Recent SaaS deals (2/3)

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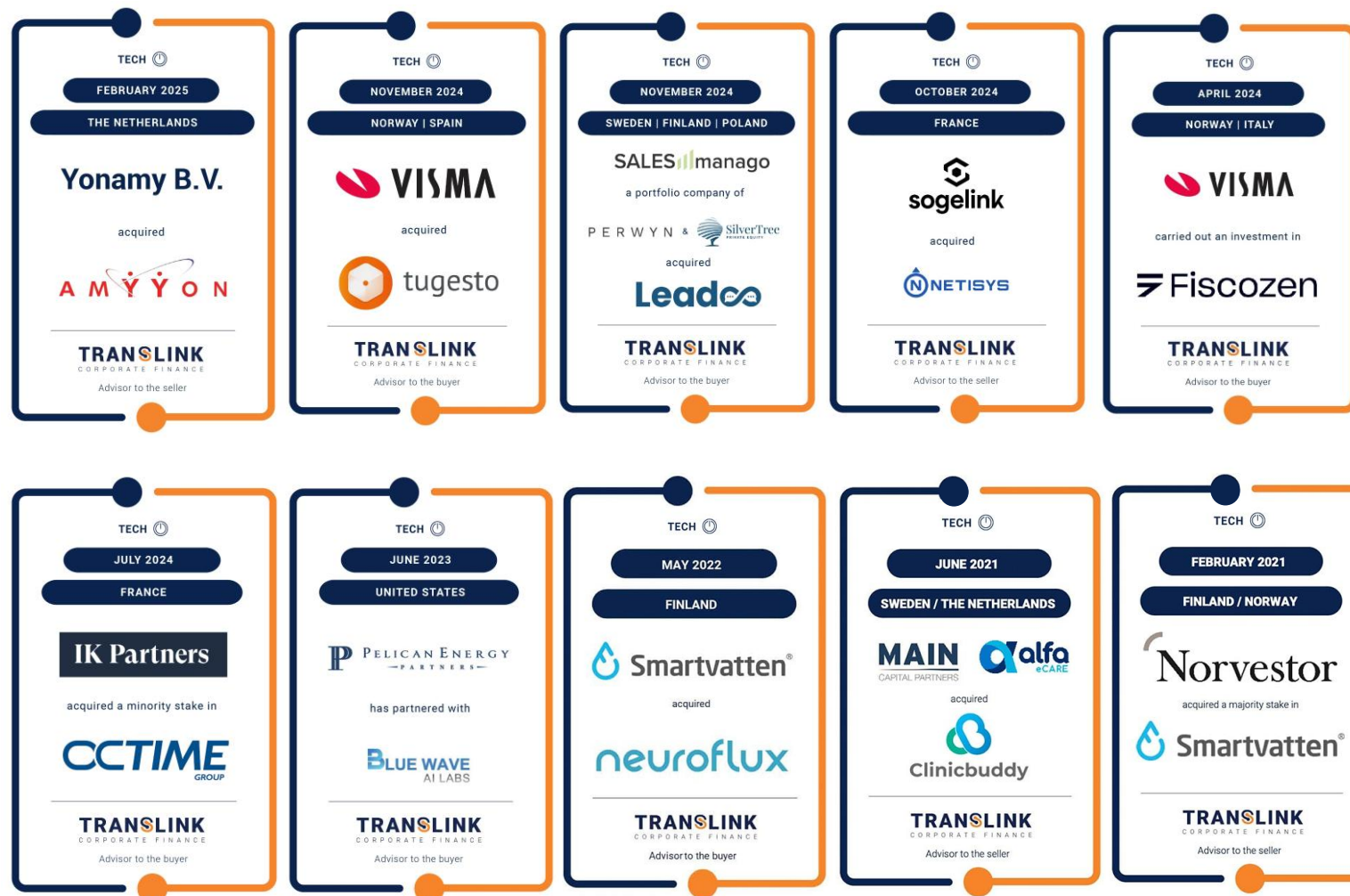
04 About Translink Corporate Finance and Tech Industry expertise

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Recent SaaS deals (3/3)

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05

Appendix

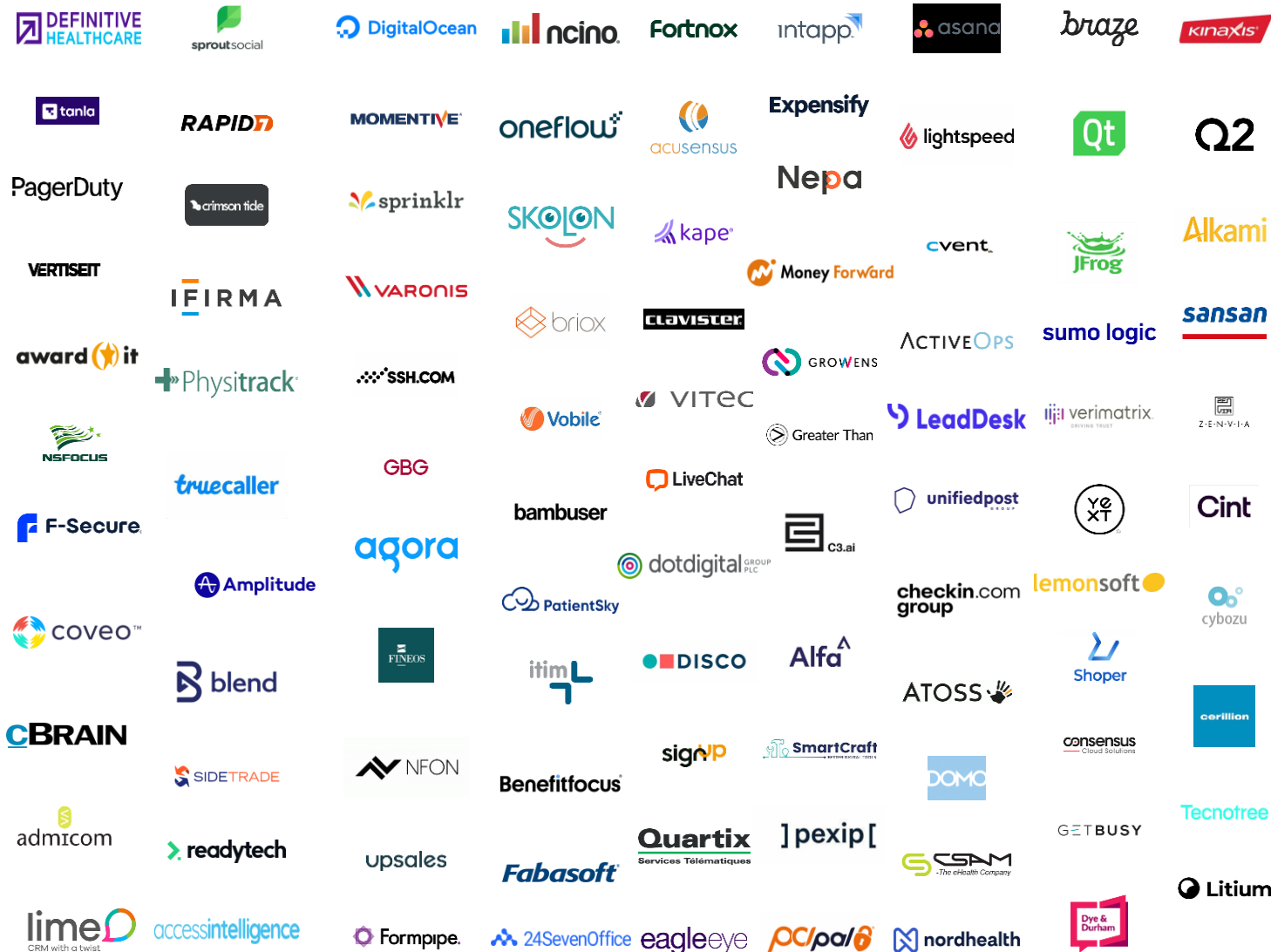
05 Appendix

The 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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