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

TRANSLINK SAAS VALUATION INSIGHTS

Q1/2024

Translink Corporate Finance SaaS Valuation Insights Q1/2024

SaaS M&A activity in the Nordics held steady in Q1 of 2024, with several take private deals taking place in the first quarter

Introduction and contributors

- Our quarterly SaaS Valuation Insights centres on the Translink SaaS Index (“**TSI**”), featuring in-depth analysis of index constituents, SaaS M&A trends, and the broader European SaaS market. This update provides our key observations, insights, and analytical perspectives on the mid-market SaaS valuation landscape
- TSI distinguishes itself from other adjacent indices in terms of constituent characteristics and size. Comprising predominantly Nordic and European small to mid-sized public SaaS companies, our index includes **132 companies**, with 38% headquartered in the Nordics, 23% in other parts of Europe, only 30% in the United States, and roughly 9% in other global markets. Notably, our index purposefully excludes large-cap SaaS companies
- We firmly believe that our proprietary index serves as an effective valuation benchmark for small and mid-sized SaaS firms, which are the typical transactional focus within our core European markets
- Our data is meticulously sourced from reputable outlets, including S&P Capital IQ, Mergermarket, in addition to publicly available sources. Should you have any inquiries or require further information regarding this report, please do not hesitate to contact us at:



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Key observations of Q1/'24

- Throughout Q1/'24, SaaS valuation multiples have remained close to their one-year averages. Presently, the EV/LTM Sales multiple for TSI stands at **3.2x**, notably below its five-year average of **5.7x**
- We reiterate our anticipation of **increasing SaaS valuations**, especially with the European Central Bank poised to adjust interest rates in the near future. In the first quarter of 2024 we continued to observe take private transactions which echo the pricing discrepancies between public and private valuations that we highlighted in our previous report
- Nordic SaaS M&A activity decreased slightly in Q1/'24 compared to first quarter during previous years but remained at a healthy level signaling resilience amidst underlying geopolitical and economic turmoil having an adverse impact on the performance and outlook of Nordic SaaS companies

Key statistics

TSI traded at 3.2x LTM Sales at quarter-end Q1/'24	5-year average EV/LTM Sales multiple 5.7x TSI	TSI increased 9% during Q1/'24
Market outperformers ¹ traded at 5.2x 2024E Sales at quarter-end Q1/'24	SaaS transactions completed 75 in the Nordics during Q1/'24	Median EV/Sales multiple 4.2x Nordic SaaS transactions during Q1/'24

Note: 1) Market outperformers are companies who have over 40 scores in the Rule of 40 principle.



1

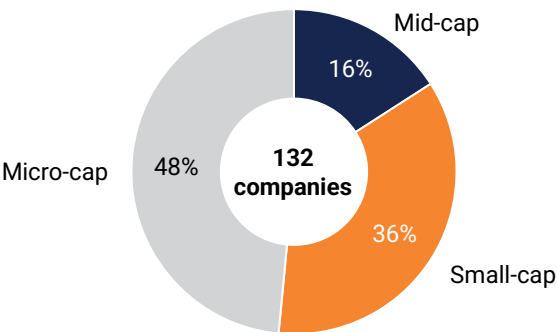
TRANSLINK SAAS VALUATION UPDATE Q1/2024

Overview of the Translink SaaS Index (TSI) (I/II)

A strong representation of European and US micro, small and mid-cap SaaS companies

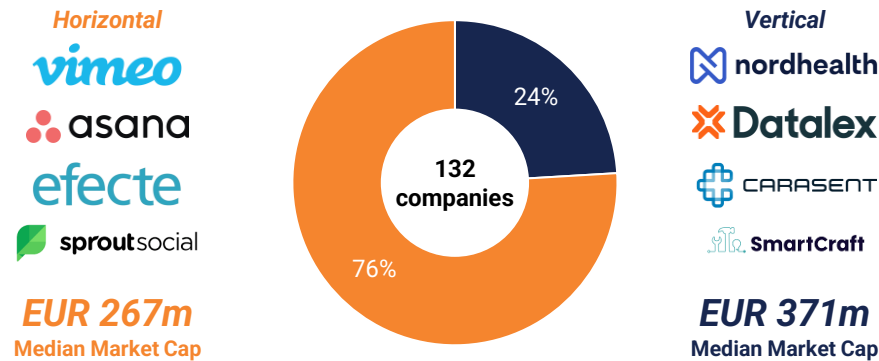
Micro and small-cap companies represent over two thirds of TSI

Size distribution¹, %



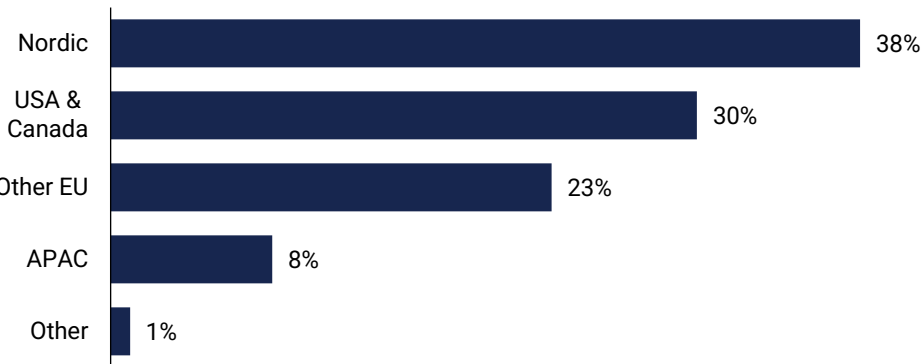
Over two-thirds of TSI is represented by horizontal SaaS companies

Horizontal and vertical distribution, %



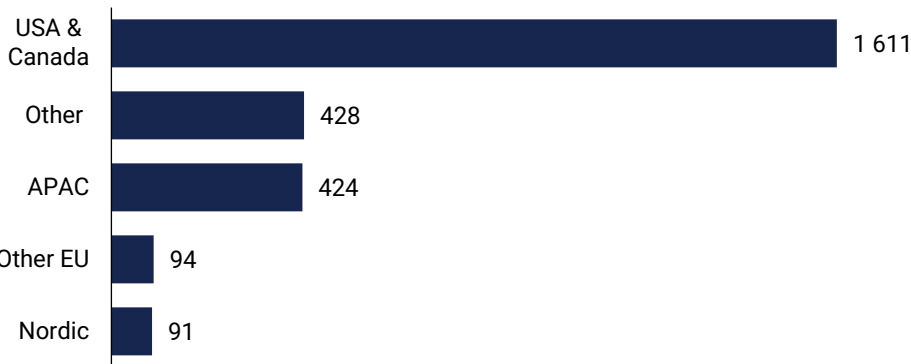
Nordic companies are well-covered in the index

Geographical distribution, %



Companies from the US and Canada have significantly higher market values

Geographical distribution, median market capitalisation in EUR million

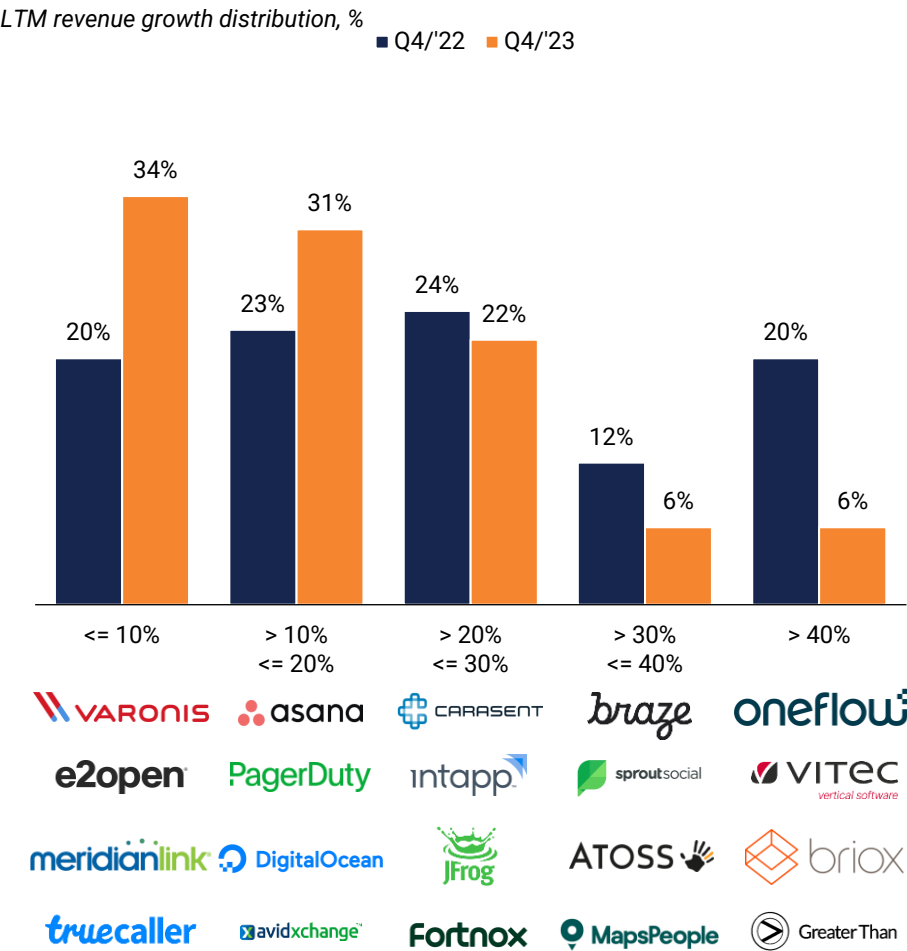


Sources: S&P Capital IQ as of March 31st, 2024. Note: 1) Micro-cap: Market value of less than EUR 250 million. Small-cap: Market value between EUR 250 million and EUR 2 billion. Mid-cap: Market value between EUR 2 billion and EUR 10 billion. Numbers may not sum 100 due to rounding.

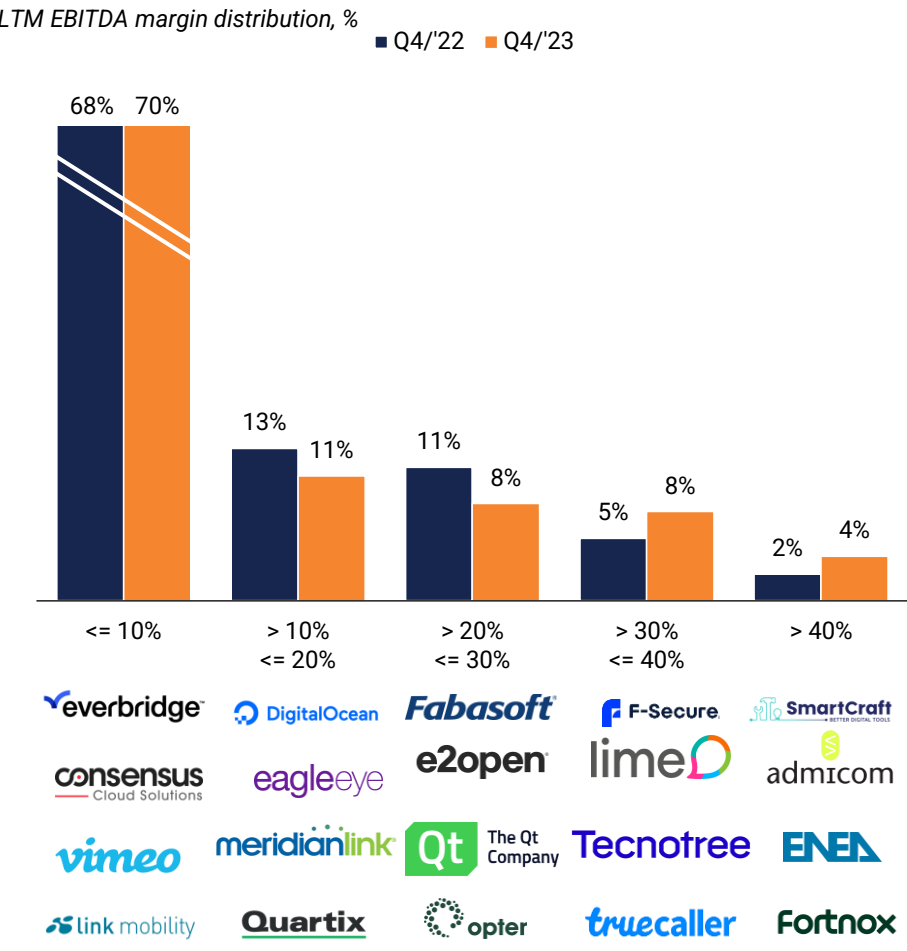
Overview of the Translink SaaS Index (TSI) (II/II)

Slower growth across the board, with companies shifting focus towards improving margins

Compared to Q4/2022 revenue growth has slowed significantly...



...however, companies have been able to hold on to their profitability margins

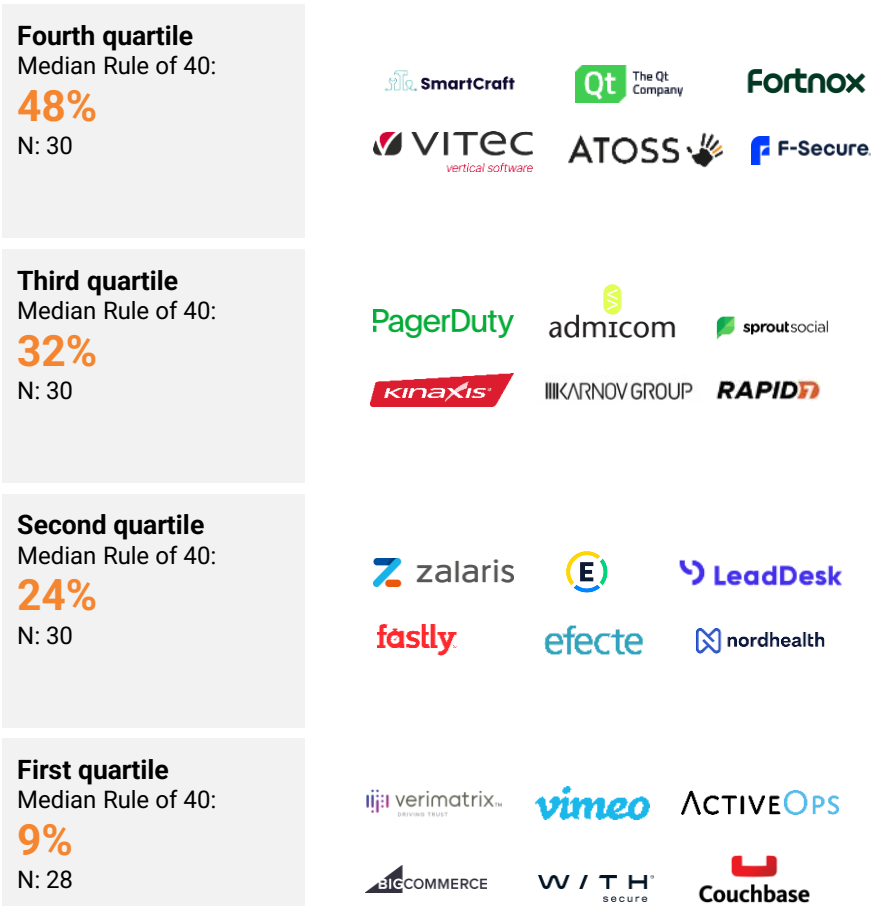


Sources: S&P Capital IQ as of March 31st, 2024. Note: Numbers may not sum 100 due to rounding.

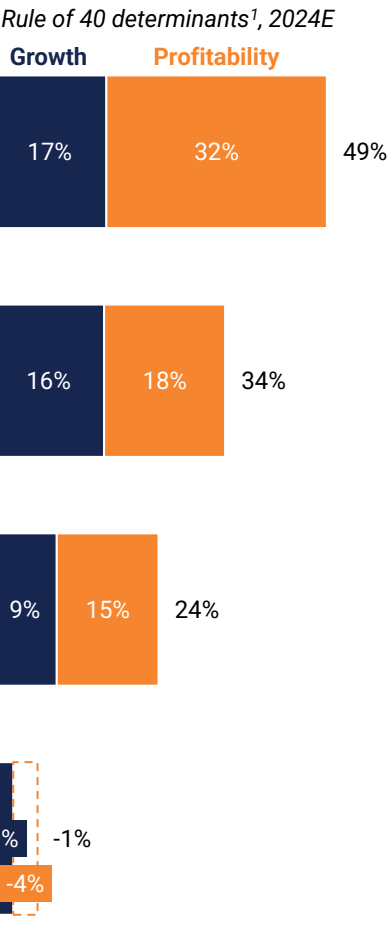
Rule of 40 distribution of TSI

Valuations for SaaS companies are now more closely tied to capital efficiency and profitability rather than sheer growth

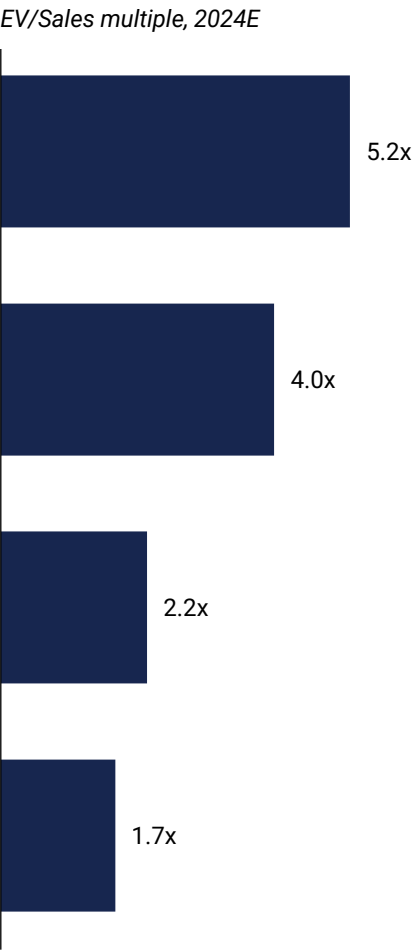
Top quartile achieved median 48% Rule of 40 and 5.2x 2024E EV/Sales



Prevailing market conditions have forced firms to focus on profitability



Investors are seeking more robust and profitable companies



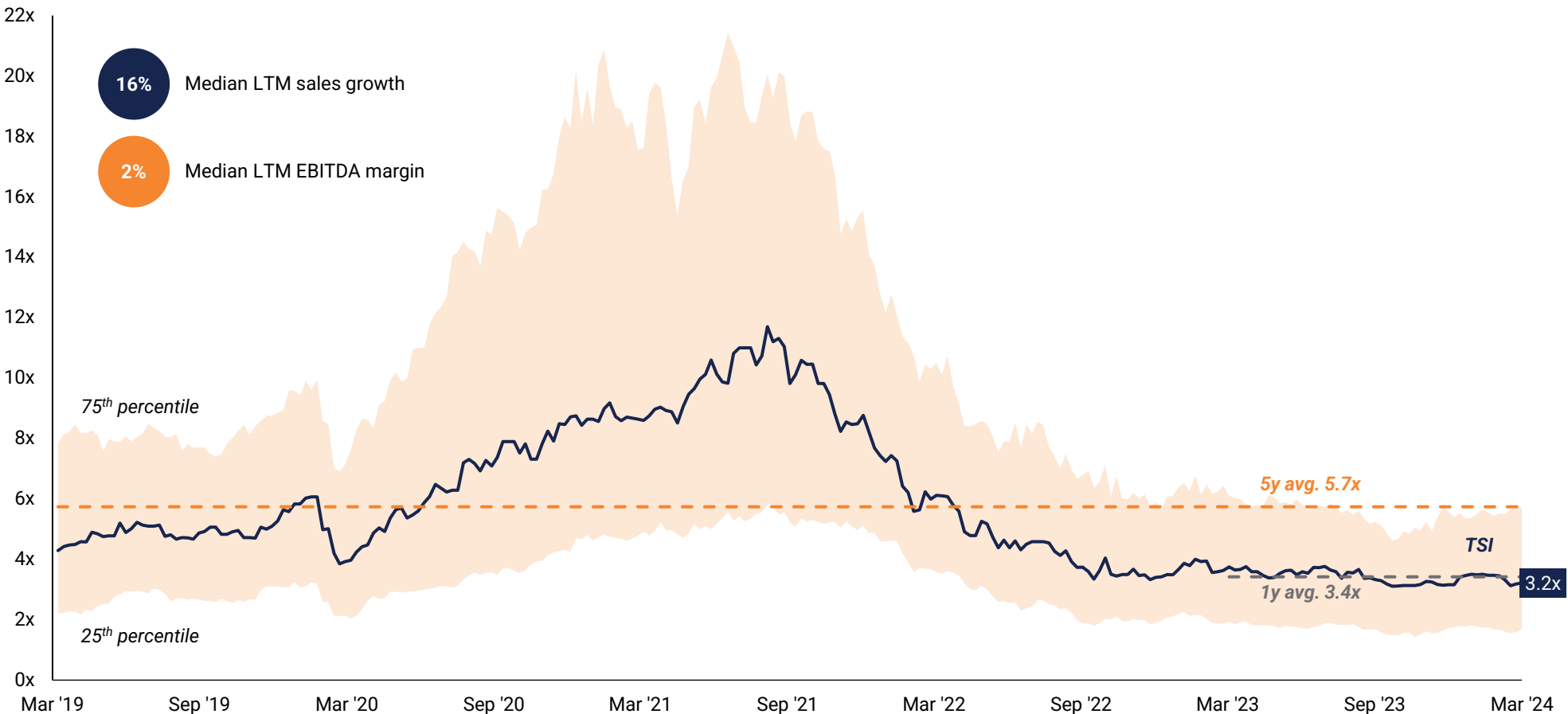
Sources: S&P Capital IQ as of March 31st, 2024. Note: 1) Median figures of Growth and Profitability separately. 14 companies excluded from the analyses due to insufficient data.

Development of TSI (I/V)

We anticipate upward pressure on public SaaS valuation multiples as companies' valuations become increasingly appealing to both strategic and financial investors

TSI is currently trading at 3.2x EV/LTM Sales

Median EV/LTM Sales

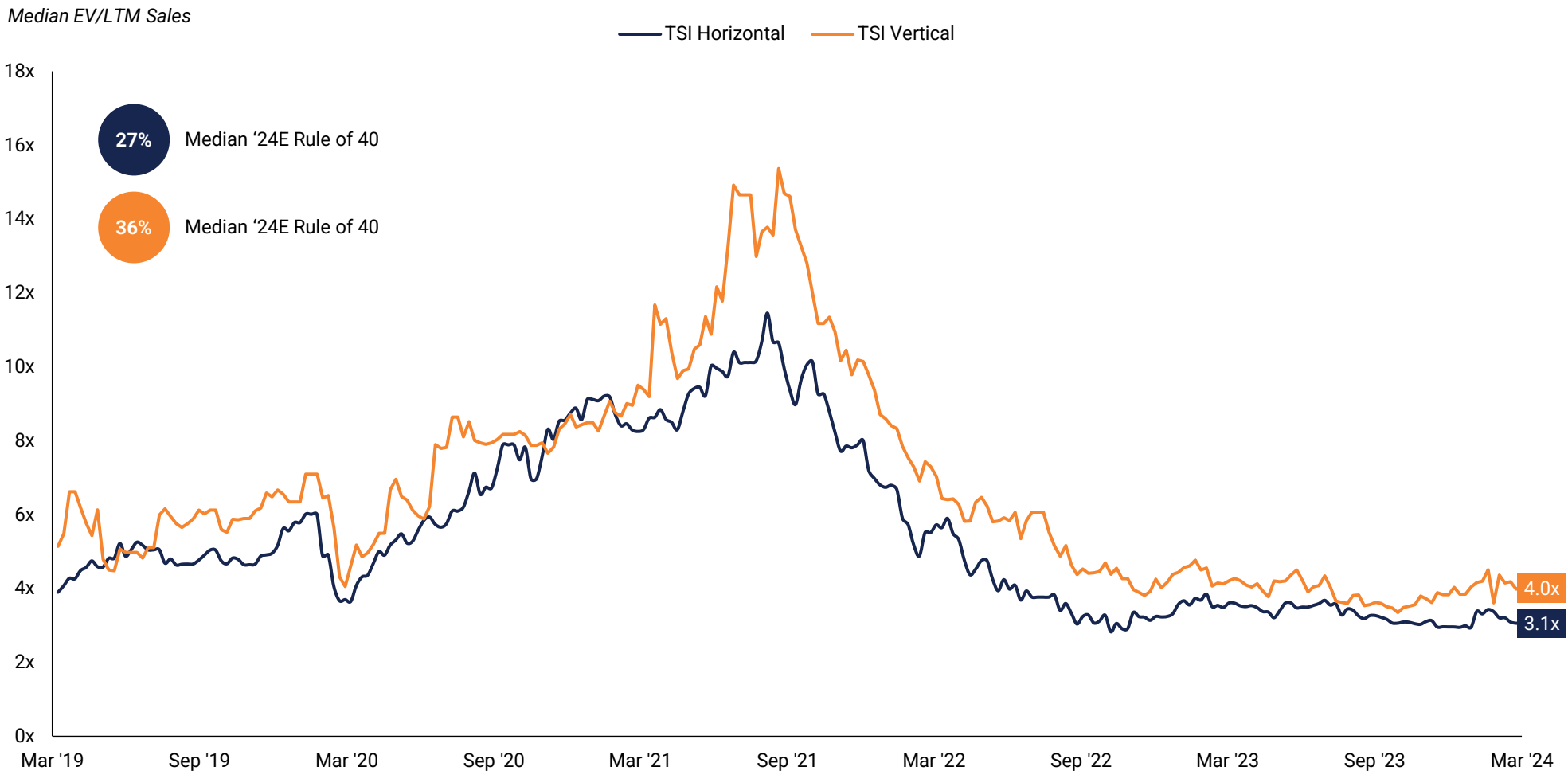


Sources: S&P Capital IQ as of March 31st, 2024. Note: Translink SaaS Index shows the Enterprise Value (EV) to last twelve months (LTM) revenue of public B2B SaaS companies from Europe, North America and Asia with EVs capped at EUR 4 billion. Median EV of the index is around EUR 0.3 billion.

Development of TSI (II/IV)

Vertical SaaS companies are rewarded a higher valuation due to superior metrics such as Rule of 40

Vertical SaaS companies traded around 29% higher in EV/LTM Sales than Horizontal SaaS companies at the end of Q1/'24



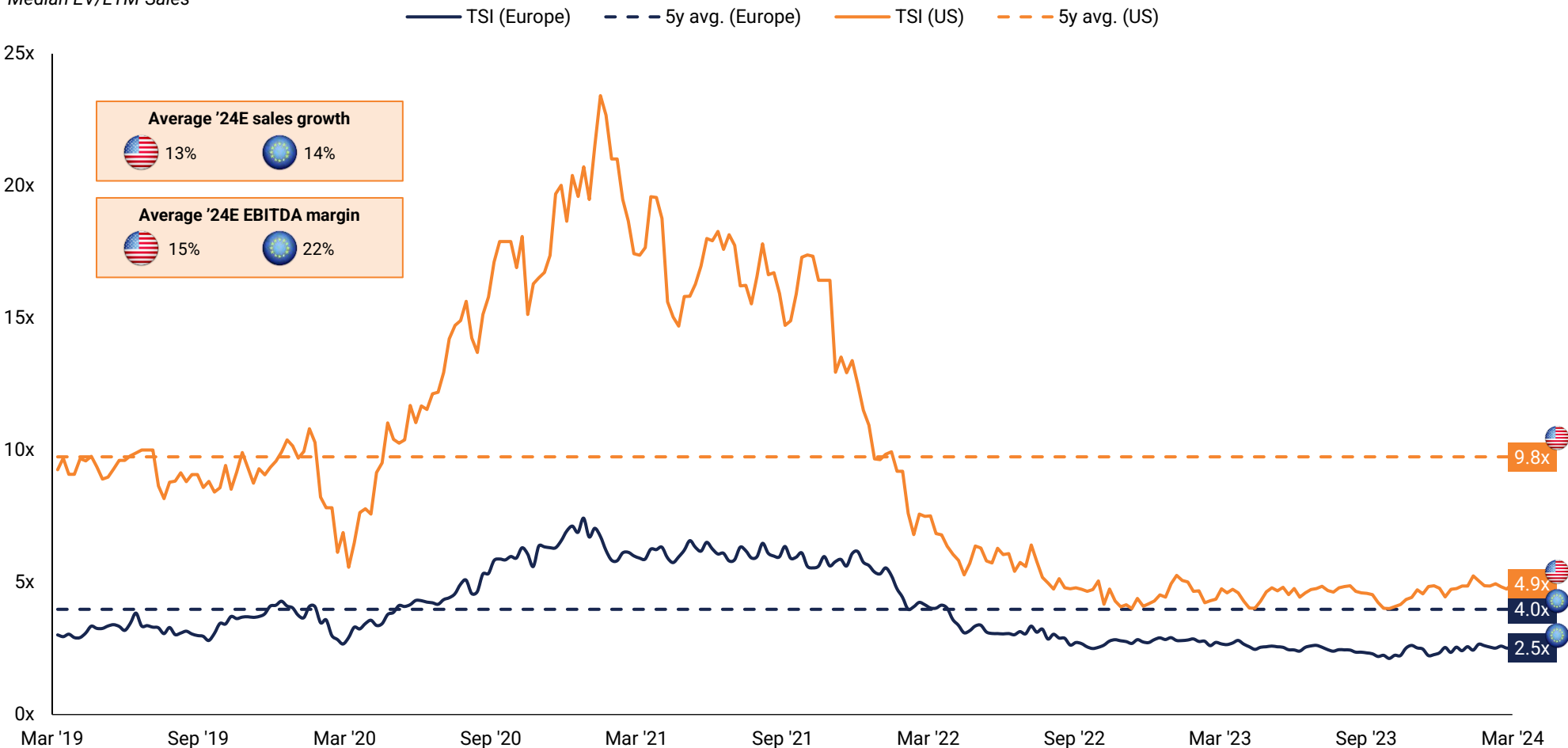
Sources: S&P Capital IQ as of March 31st, 2024.

Development of TSI (III/IV)

Despite European companies exhibiting greater growth prospects and profitability profile, US companies typically command a valuation premium when compared to their European peers

At the end of Q1/'24, US SaaS companies were valued over twice as high as that of European peers

Median EV/LTM Sales



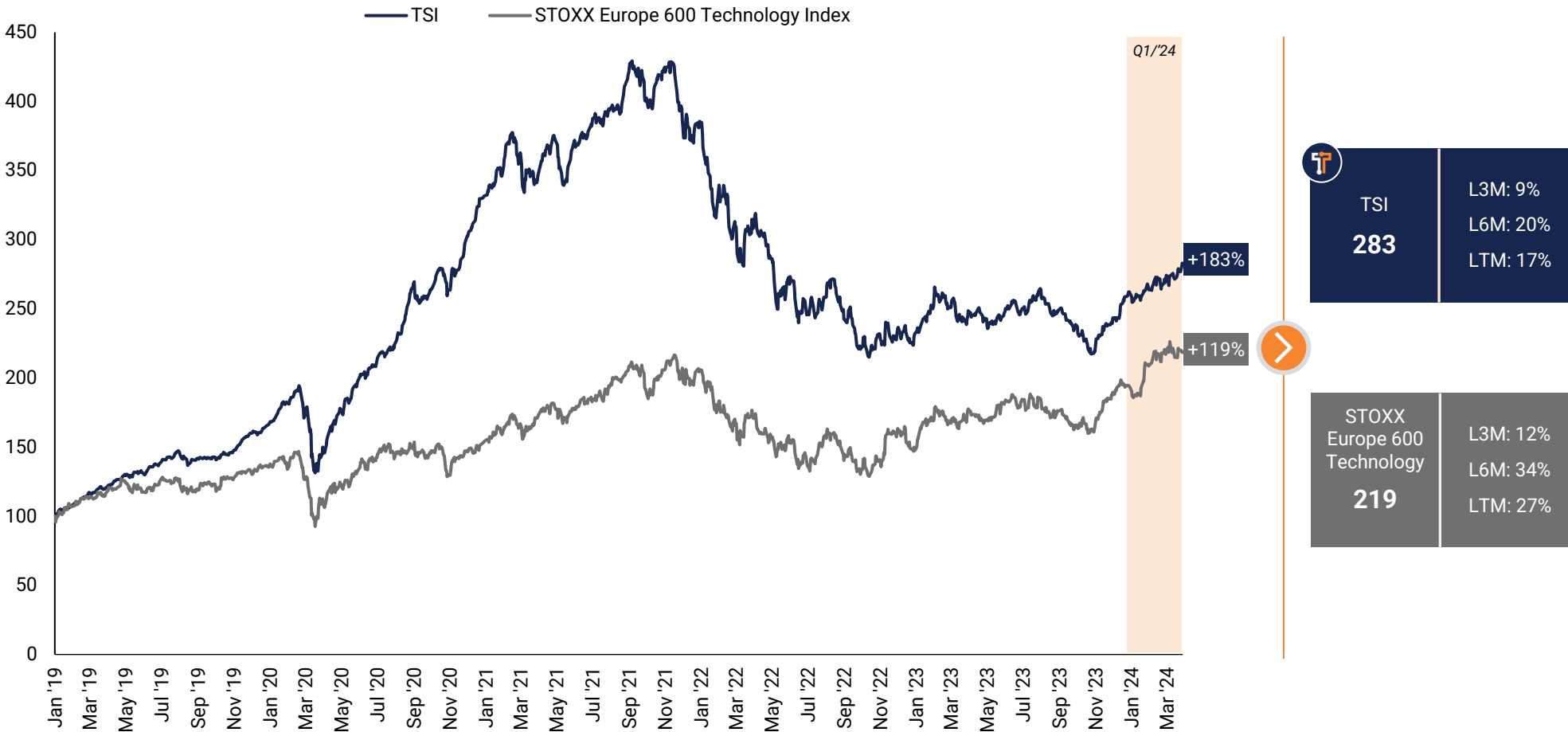
Sources: S&P Capital IQ as of March 31st, 2024.

Development of TSI (IV/IV)

TSI continued its rally and experienced an increase of 9% throughout Q1/'24, and we expect the upward trend to continue in Q2/'24

5-year indexed share price development for TSI and STOXX Europe 600 Technology Index

Indexed share price $t(0)=100$, equally weighted

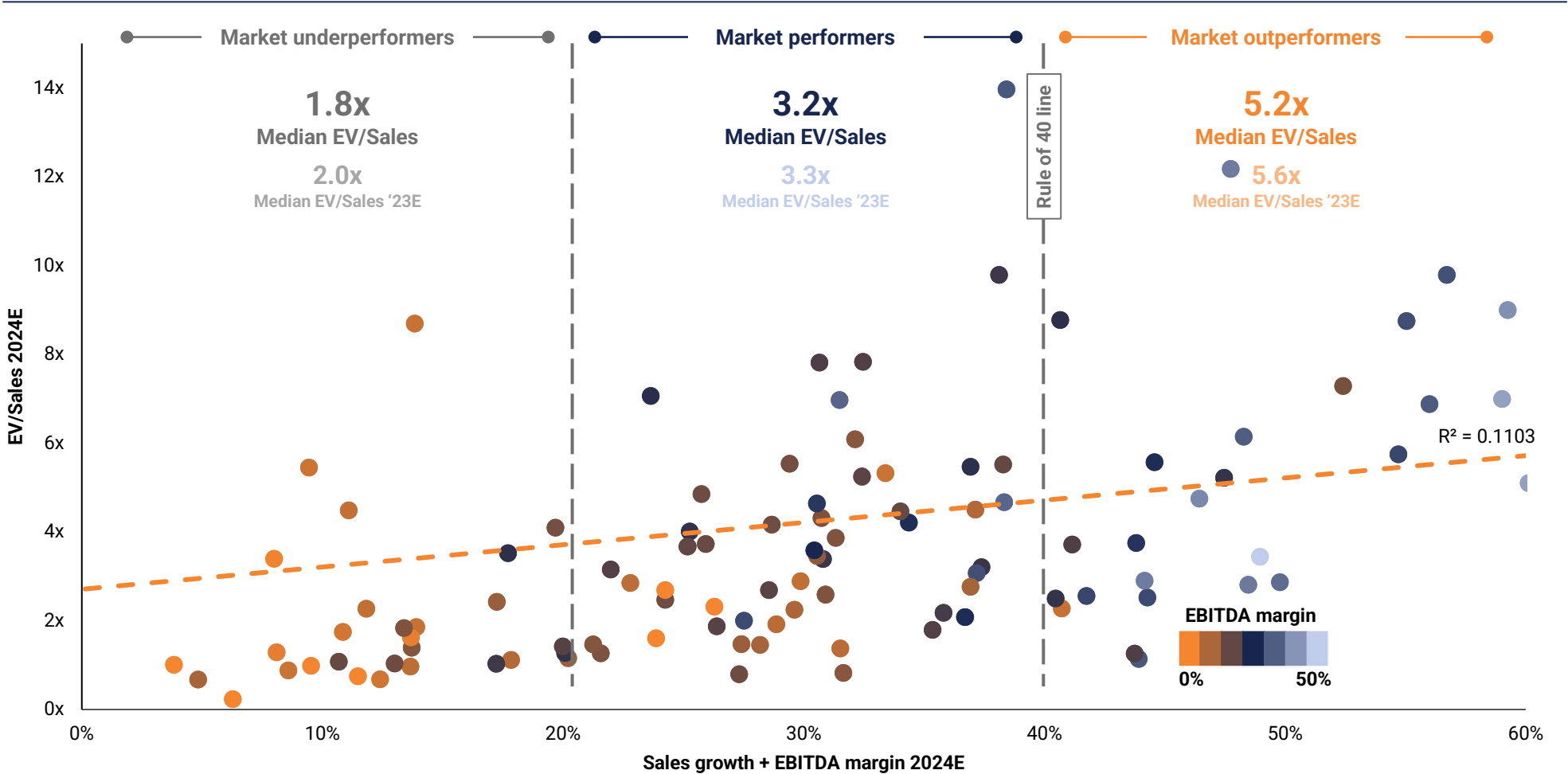


Sources: S&P Capital IQ as of March 31st, 2024.

Valuation plot: EV/Sales and Rule of 40 (I/II)

Market outperformers with high profitability and growth prospects trade at around 5.2x 2024E Sales

Companies exhibiting a high profitability profile command premium valuations

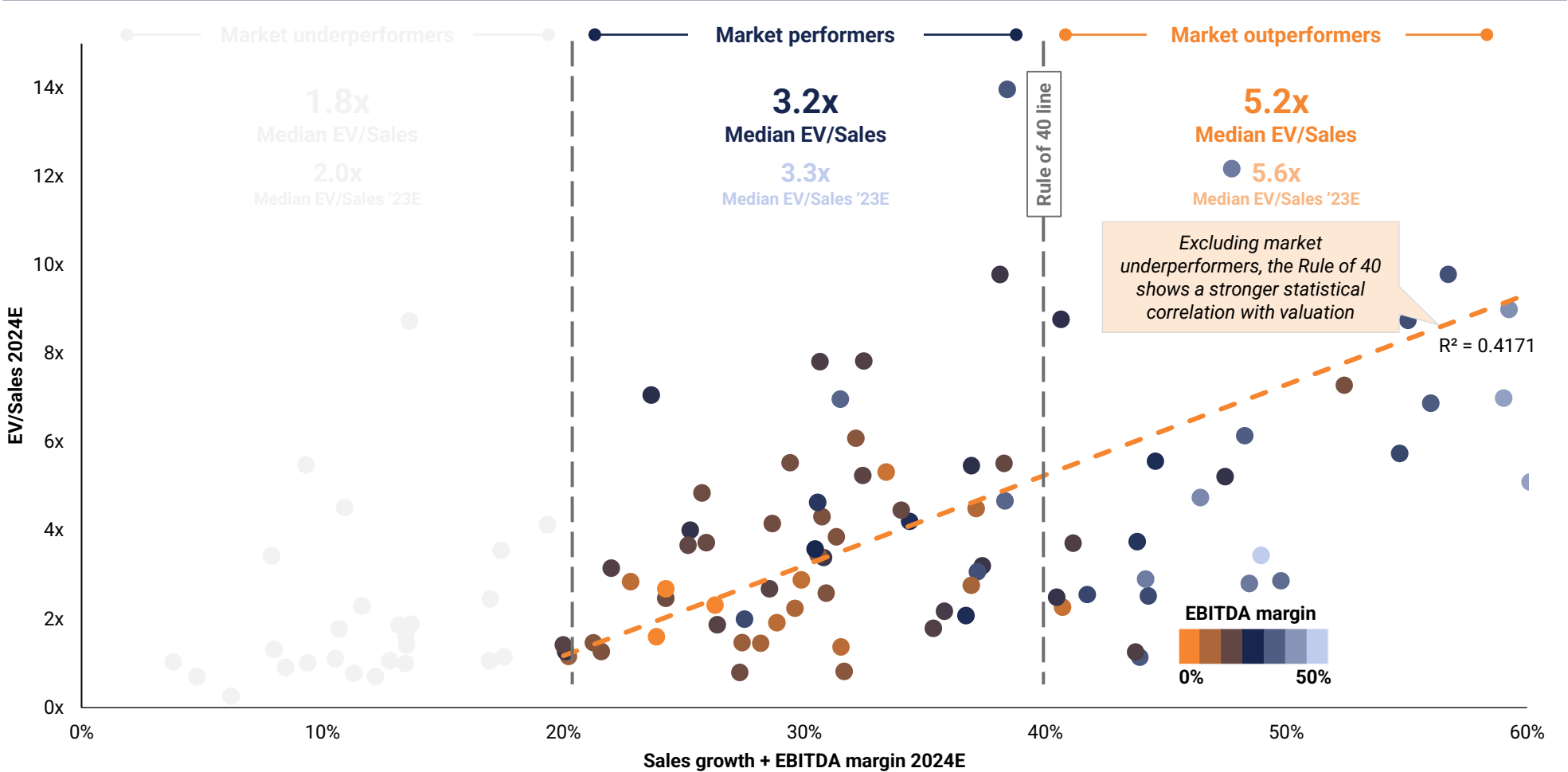


Sources: S&P Capital IQ as of March 31st, 2024. Note: 14 companies excluded from the analyses due to insufficient data.

Valuation plot: EV/Sales and Rule of 40 (II/II)

Market outperformers with high profitability and growth prospects trade at around 5.2x 2024E Sales

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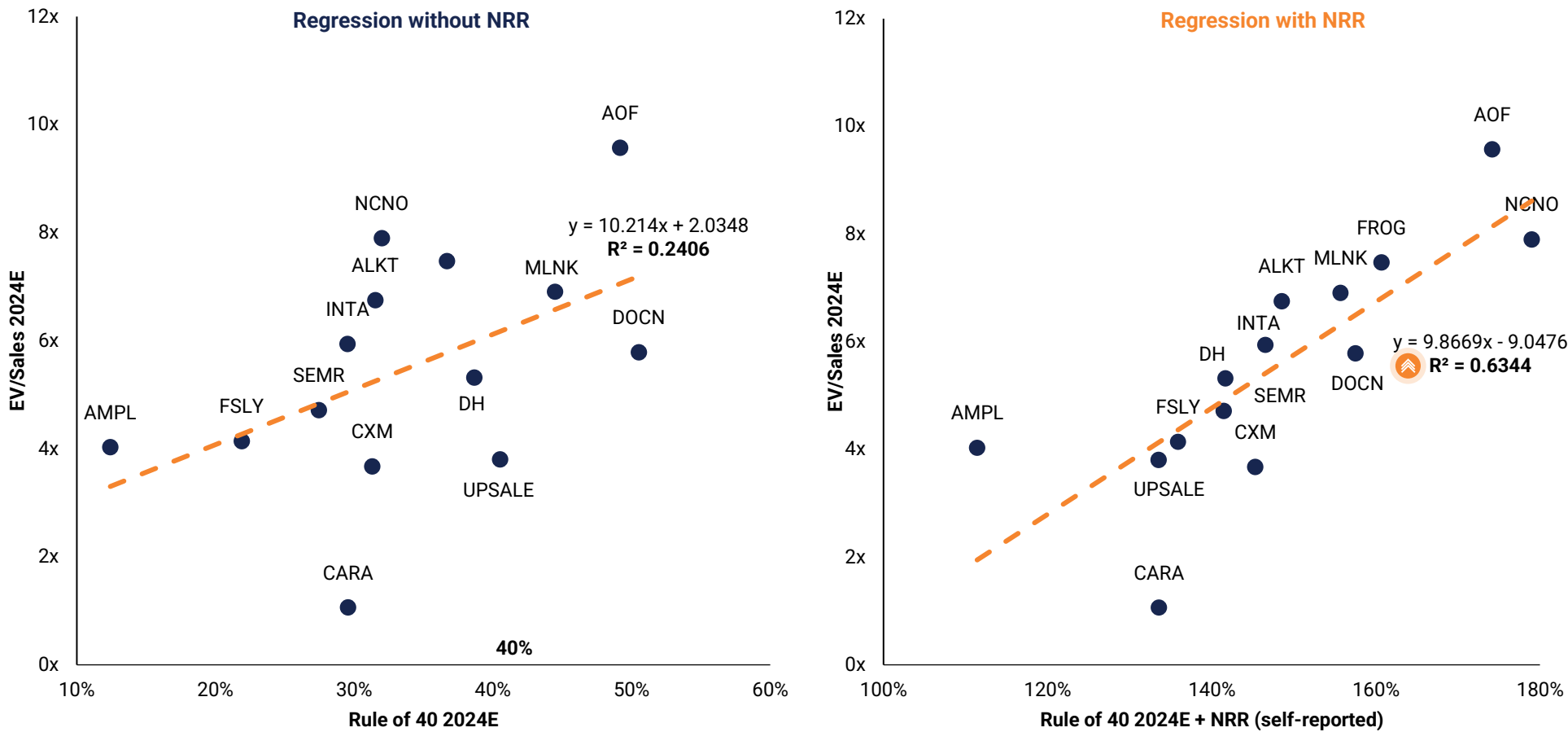
Sources: S&P Capital IQ as of March 31st, 2024. Note: 14 companies excluded from the analyses due to insufficient data.

Valuation plot: EV/Sales with Rule of 40 and NRR

Adding Net Revenue Retention into Rule of 40 computation significantly increases the explanation power behind the valuation

The statistical power is greatly enhanced when NRR is included in the regression

Illustration of how NRR increases the explanation power behind the valuation



Sources: S&P Capital IQ as of March 31st, 2024, Companies earnings reports. Note: Net Revenue Retention figures are self-reported by Companies and are based on the latest figure.



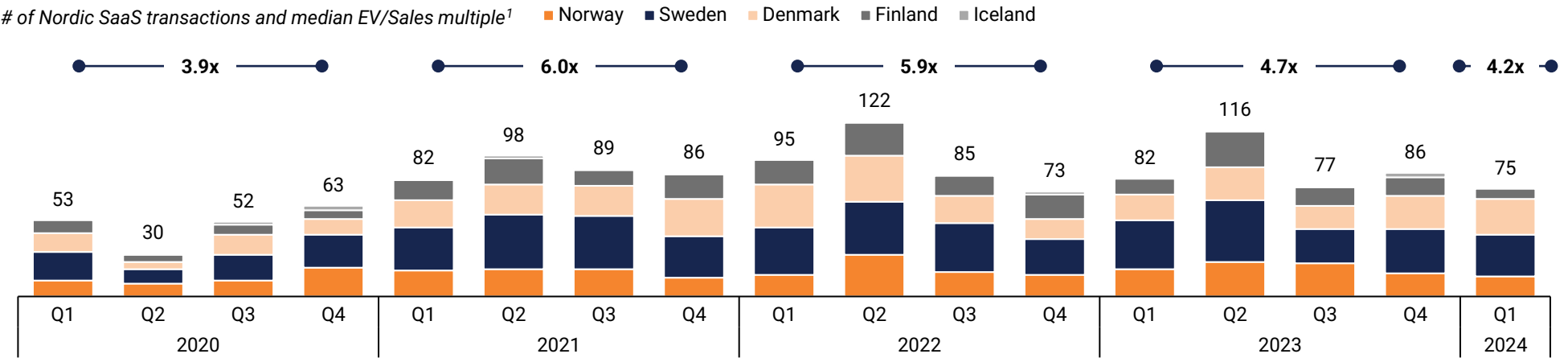
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NORDIC SAAS M&A TRANSACTIONS

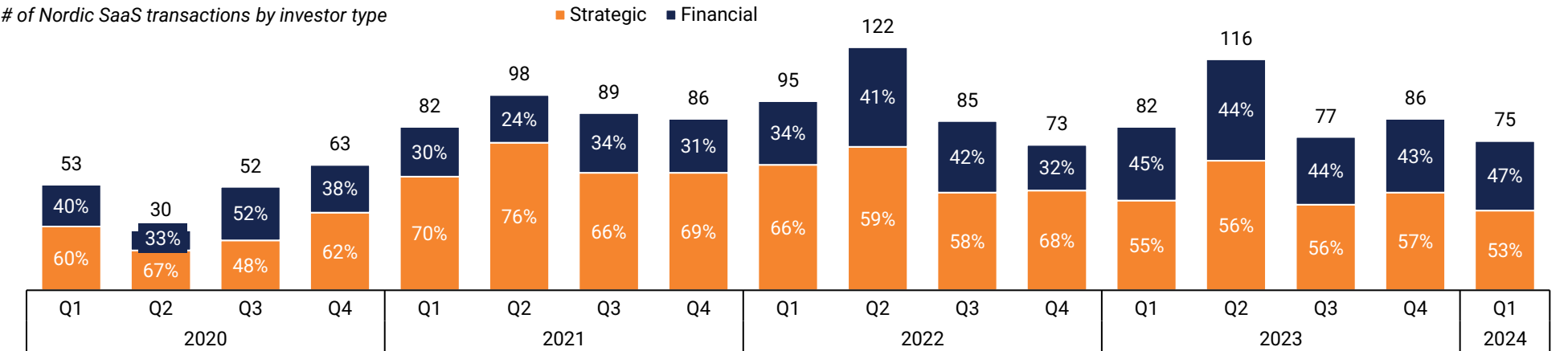
Nordic SaaS transactions from 2020 to Q1/2024

Despite a slight decrease in Q1/'24 compared to Q1/'23, M&A remained at a robust level

Transaction activity dipped slightly in Q1/'24 compared to the Q1/'23



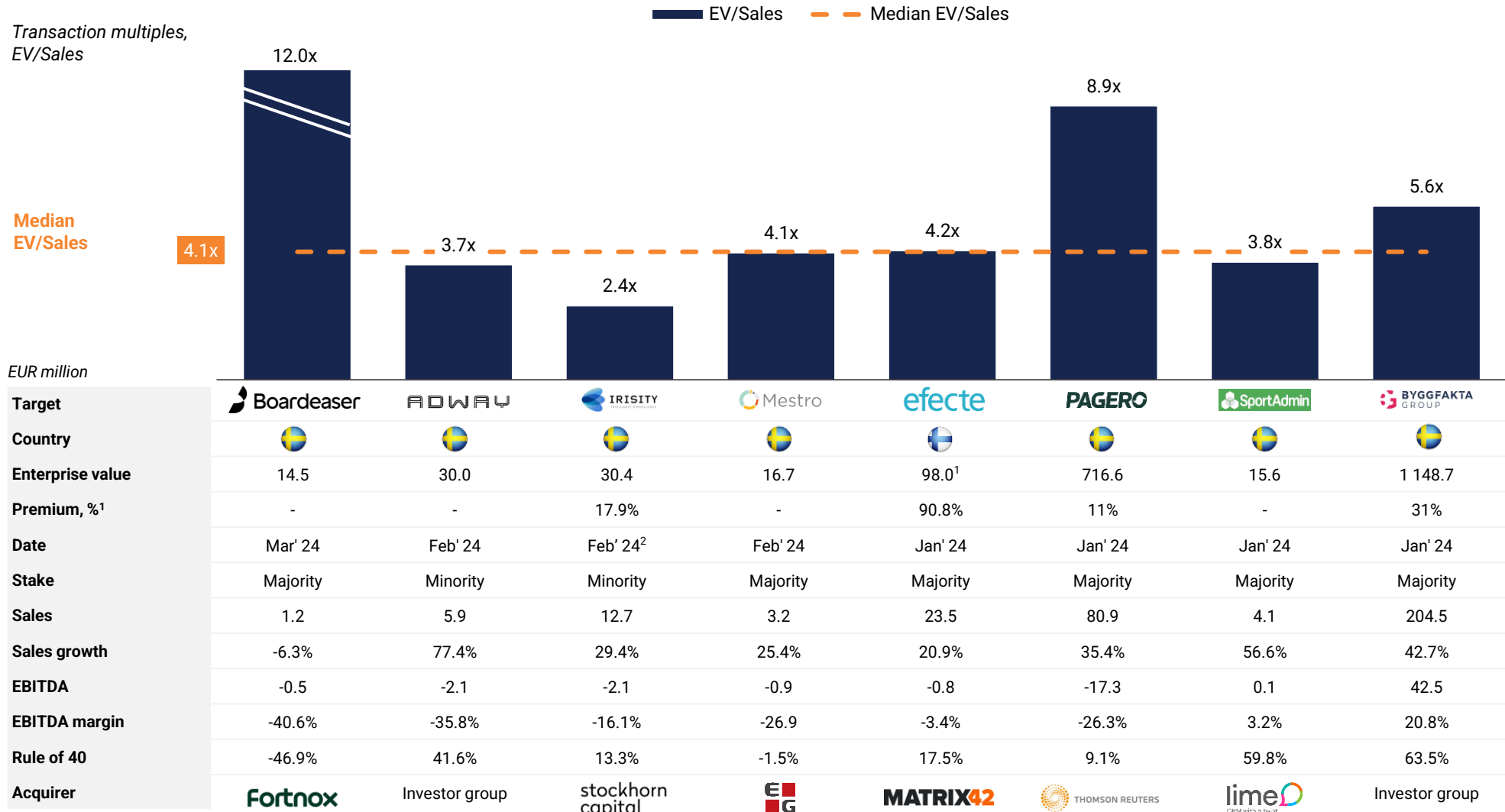
Activity between financial and strategic investors was roughly evenly split in the Nordic SaaS space for Q1/'24



Sources: Mergermarket as of March 31st, 2024, Valu8. Note: Nordic SaaS transaction search perimeters have been refined since the last report making them not comparable. 1) Each transaction has been validated and is based on Mergermarket output of selected sector criteria and free text search "SaaS" or "Cloud" for Nordic countries. Yearly median EV/Sales is only for transactions with publicly available multiples.

Selected Nordic SaaS transactions from Q1/2024

Recent transactions indicate an EV of 4.1x Sales in the first quarter of 2024



Sources: S&P Capital IQ and MergerMarket as of March 31st, 2024. Note: 1) Premium based on last closing price before the offer 2) Offer pending.

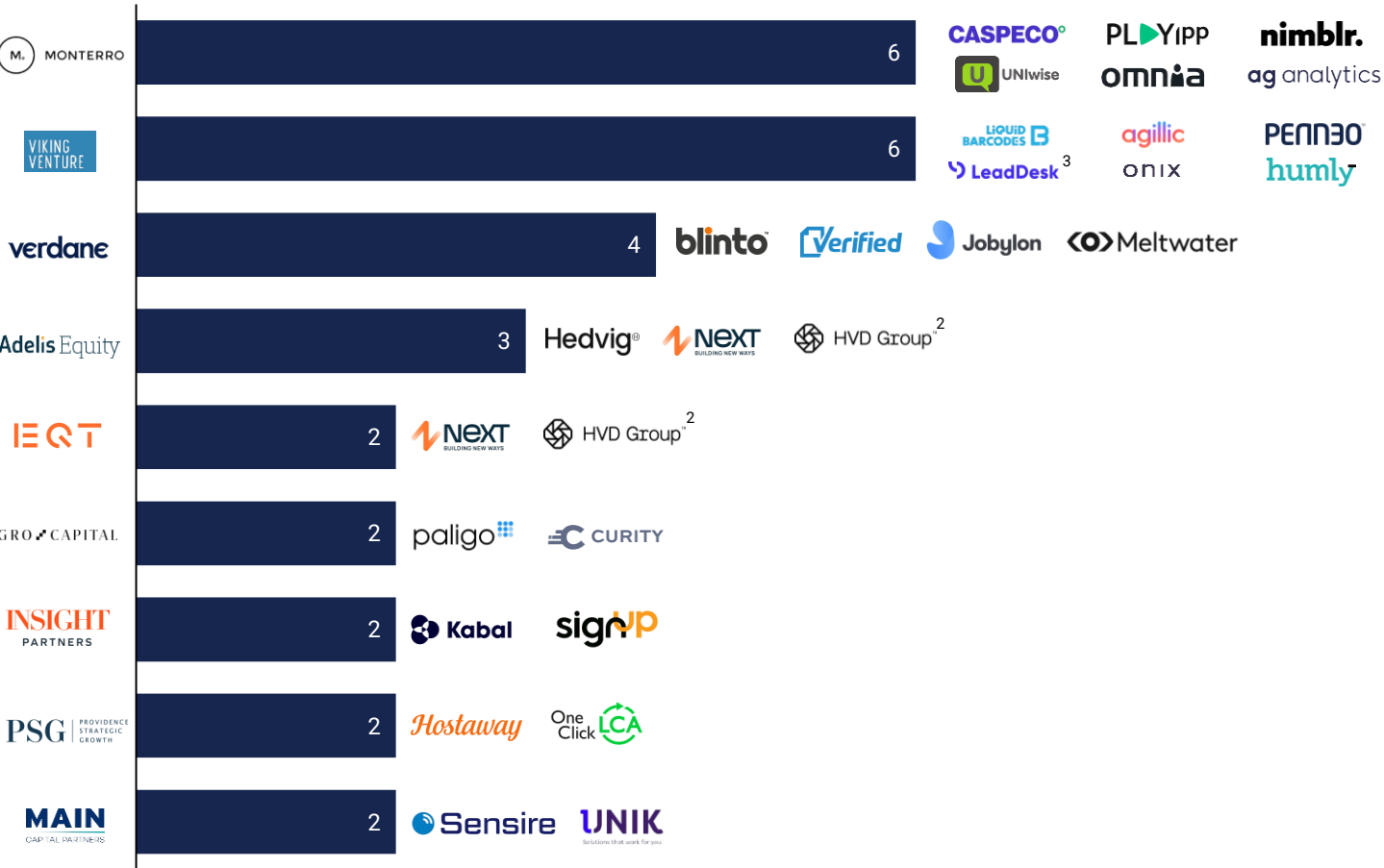
Active Nordic SaaS investors

Despite overall gloomy market sentiment in 2023, SaaS investors remained active throughout the year

- The year 2023 was marked by a pervasive gloom in the market, fueled by political unrest and increased capital costs, which dampened M&A activity across the board
- Despite facing challenges, the SaaS sector has upheld its momentum, with Nordic SaaS companies garnering interest from global investors
- This has resulted in transaction volumes holding at a steady level compared to previous years and financial investors amounting to nearly half of the Nordic SaaS transactions in Q1'24
- Substantial reserves of private equity capital have accumulated from previous years and the competition for top-tier Nordic SaaS businesses is steadily intensifying

Monterro and Viking Venture were highly active and invested in several Nordic SaaS companies in 2023

Number of Nordic SaaS investments in 2023¹



Sources: Mergermarket as of March 31st, 2024, Company websites and press releases. Note: 1) Excludes venture capital investors. 2) Adelis Equity and EQT partnered together in the investment of Next and HVD Group. 3) Increased previous position to become the largest shareholder.

Noteworthy Nordic deals in 2023

Several sizeable transactions recorded during the year

The highlights of 2023 span from growth investments to take-private deals and private equity exits

Highlighted deals and EV/Sales multiple (if available)

<p>NA</p> <p>Hostaway, a leading all-in-one vacation rental software and management system announced a \$175 million capital raise (deal value announced)</p> <p>PSG PROVIDENCE STRATEGIC GROWTH</p> <p>Hostaway</p>	<p>7.4x</p> <p>Insight Partners made a public offer for all the outstanding shares in SignUp. The offer was made at SEK 104 per share, approximately 30% premium to the unaffected share price – total value app. \$229 million (deal value announced)</p> <p>INSIGHT PARTNERS</p> <p>signUP</p>	<p>9.7x</p> <p>Carel Industries acquired a majority stake in Kiona, a leading Norway-based SaaS provider of prop-tech solutions for energy consumption optimization and building digitalization – total value app. €210 million (deal value announced)</p> <p>CAREL</p> <p>Kiona</p>
<p>NA</p> <p>One Click LCA, a leading software platform for the decarbonization of construction and manufacturing, announced €40 million strategic growth investment from PSG and InfraVia (deal value announced)</p> <p>PSG PROVIDENCE STRATEGIC GROWTH</p> <p>INFRAVIA</p> <p>One Click LCA</p>	<p>NA</p> <p>Inflexion made its fourth investment in the Nordics when acquiring a majority stake in treasury and cash management software provider Nomentia from PSG Equity and Verdane. According to a report filed by Private Equity News, the deal is rumored to be worth app. €300 million (rumor)</p> <p>inflexion</p> <p>NOMENTIA</p>	<p>6.9x</p> <p>Stock exchange operator Deutsche Boerse announced a €3.9 billion takeover offer for Danish investment management software company SimCorp as it looks to diversify its business (deal value announced)</p> <p>DEUTSCHE BÖRSE GROUP</p> <p>SimCorp</p>
<p>1.4x</p> <p>Marlin (together with Altor) completed the take-private acquisition of Meltwater, a media intelligence and social listening platform for measuring, managing and magnifying corporate reputations – total value app. €570 million (deal value announced)</p> <p>MARLIN EQUITY PARTNERS</p> <p>ALTOR</p> <p>verdane</p> <p>Meltwater</p>	<p>NA</p> <p>Hypergene, a Swedish SaaS company for planning and performance management, announced a growth investment from Thoma Bravo, a leading software investment firm. Thoma Bravo will acquire a majority stake in Hypergene from Monterro and other minority shareholders (deal value not disclosed)</p> <p>THOMABRAVO</p> <p>HYPERGENE</p>	<p>9.7x</p> <p>Norway's Kahoot has agreed to a voluntary cash offer of \$1.72 billion from the private equity business within Goldman Sachs Asset Management and a group of other investors (deal value announced)</p> <p>Goldman Sachs</p> <p>Kahoot!</p>

Sources: Mergermarket, Capital IQ, Company websites and press releases.

The background image is a monochromatic, blue-tinted photograph of a grand, historic train station. On the left, a large, arched stone entrance is visible, with the word "STATION" partially legible in large, dark letters. To the right, a tall, ornate clock tower rises into the sky, featuring multiple clock faces. In the foreground, two large, classical statues of figures holding lanterns stand prominently. The overall atmosphere is one of architectural grandeur and historical significance.

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APPENDIX

Translink Corporate Finance in brief

Global mid-market M&A advisory with international reach and local execution

Integrated global mid-market M&A advisory

- Long track record of best-in-class M&A advisory
 - Founded in 1972 in Switzerland
- Global and local
 - Approachable local execution team and close collaboration with international colleagues throughout the project
 - Access to investors and buyers on all continents
- Efficient utilisation of global collective expertise
 - Sharing of collective knowledge, intelligence and best practices across the tight-knit global organisation
 - Specialist sector experience and dedicated industry groups
- Cross-border mid-market M&A focus
 - Typical transactions in the range of EUR 20-200 million



Fully integrated global group offers unparalleled scale, reach and local knowledge

Our services

Extensive financial and strategic advisory with international resources and locally produced services



Sell side M&A advisory

- ✓ Project management
- ✓ Sales materials
- ✓ Financial modelling
- ✓ Investor contacting
- ✓ Negotiations



Buy side M&A advisory

- ✓ Project management
- ✓ Target screening
- ✓ Target contacting
- ✓ Financial modelling
- ✓ Negotiations



Financing advisory

- ✓ IPOs
- ✓ Debt advisory
- ✓ Fundraising
- ✓ Private placements



Other services

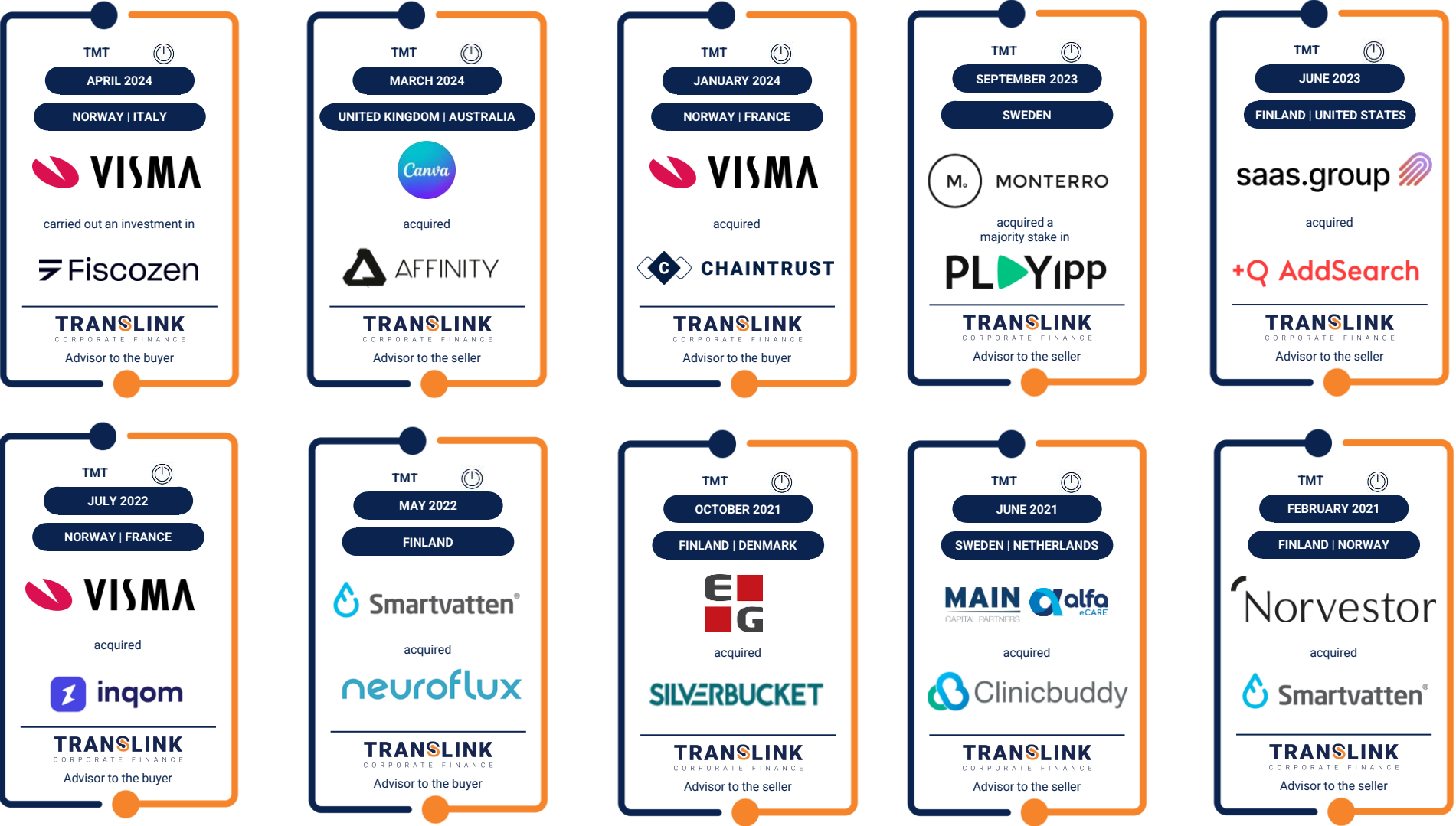
- ✓ Valuation
- ✓ Financial modelling
- ✓ Strategic advisory
- ✓ Fairness opinions

Focus on mid-market M&A advisory services...

...supported by a broad offering of financial advisory

Translink Corporate Finance references

Selected SaaS transactions



TSI constituents

Index constituents and respective stock tickers

Sprout Social, Inc.	NASDAQCM:SPT	Esker SA	ENXTPA:ALESK	Awardit AB	OM:AWRD	Vitec Software Group AB	OM:VIT B
Fortnox AB	OM:FNOX	Zuora, Inc.	NYSE:ZUO	Greater Than AB	OM:GREAT	Alkami Technology, Inc.	NASDAQGS:ALKT
Asana, Inc.	NYSE:ASAN	Cint Group AB	OM:CINT	Ansarada Group Limited	ASX:AND	Definitive Healthcare Corp.	NASDAQGS:DH
Braze, Inc.	NASDAQGS:BRZE	Yext, Inc.	NYSE:YEXT	Verimatrix SA	ENXTPA:VMX	Olo Inc.	NYSE:OLO
Kinaxis Inc.	TSX:KXS	BigCommerce Holdings, Inc.	NASDAQGM:BIGC	Efecte Oy	HLSE:EFFECTE	Vobile Group Limited	SEHK:3738
Varonis Systems, Inc.	NASDAQGS:VRNS	Cybozu, Inc.	TSE:4776	Bambuser AB	OM:BUSER	Dye & Durham Limited	TSX:DND
DigitalOcean Holdings, Inc.	NYSE:DOCN	WalkMe Ltd.	NASDAQGS:WKME	ActiveOps Plc	AIM:AOM	Alfa Financial Software Holdings PLC	LSE:ALFA
PagerDuty, Inc.	NYSE:PD	Expensify, Inc.	NASDAQGS:EXFY	Growens S.p.A.	BIT:GROW	cBrain A/S	CPSE:CBRAIN
Lightspeed Commerce Inc.	TSX:LSPD	Coveo Solutions Inc.	TSX:CVO	Vantea SMART S.p.A.	BIT:VNT	Blend Labs, Inc.	NYSE:BLND
Jamf Holding Corp.	NASDAQGS:JAMF	Couchbase, Inc.	NASDAQGS:BASE	LeadDesk Oy	HLSE:LEADD	Fluence Corporation Limited	ASX:FLC
JFrog Ltd.	NASDAQGS:FROG	Vimeo, Inc.	NASDAQGS:VMEQ	Zenvia Inc.	NASDAQCM:ZENV	Cerillion Plc	AIM:CER
Sprinklr, Inc.	NYSE:CXM	F-Secure Oyj	HLSE:FSECURE	GetBusy plc	AIM:GETB	CS Disco, Inc.	NYSE:LAW
Darktrace plc	LSE:DARK	Agora, Inc.	NASDAQGS:API	Penneo A/S	CPSE:PENNEO	SmartCraft ASA	OB:SMCRT
AvidXchange Holdings, Inc.	NASDAQGS:AVDX	Domo, Inc.	NASDAQGM:DOMO	PCI-PAL PLC	AIM:PCIP	Admicom Oyj	HLSE:ADMCM
Rapid7, Inc.	NASDAQGM:RPD	dotdigital Group Plc	AIM:DOTD	essensys plc	AIM:ESYS	Nordhealth AS	OB:NORDH
Money Forward, Inc.	TSE:3994	Lime Technologies AB	OM:LIME	Relesys A/S	CPSE:RELE	Quartix Technologies plc	AIM:QTX
E2open Parent Holdings, Inc.	NYSE:ETWO	ReadyTech Holdings Limited	ASX:RDY	Heeros Oyj	HLSE:HEEROS	Carasent ASA	OB:CARA
Intapp, Inc.	NASDAQGS:INTA	Fabasoft AG	XTRA:FAA	Agillic A/S	CPSE:AGILC	msg life ag	HMSE:MSGSL
Truecaller AB	OM:TRUE B	WithSecure Oyj	HLSE:WITH	24SevenOffice Group AB	NGM:247	4C Group AB	OM:4C
C3.ai, Inc.	NYSE:AI	LINK Mobility Group Holding ASA	OB:LINK	Ifirma SA	WSE:IFI	Skolon AB	OM:SKOLON
Amplitude, Inc.	NASDAQCM:AMPL	Sidetrade SA	ENXTPA:ALBFR	Mapspeople A/S	CPSE:MAPS	Datalex plc	ISE:DLE
ATOSS Software AG	XTRA:AOF	Xuan Wu Cloud Technology Holdings Limited	SEHK:2392	Nepa AB	OM:NEPA	Vertiseit AB	OM:VERT b
Sansan, Inc.	TSE:4443	Tecnotree Oyj	HLSE:TEM1V	Briox AB	NGM:BRIX	Physitrack PLC	OM:PTRK
Qt Group Oyj	HLSE:QTCOM	Shoper S.A.	WSE:SHO	Crimson Tide plc	AIM:TIDE	CodeLab Capital AS	OB:CODE
Linklogis Inc.	SEHK:9959	Eagle Eye Solutions Group plc	AIM:EYE	OTRS AG	DB:TR9	Opter AB	OM:OPTER
NSFOCUS Technologies Group Co., Ltd.	SZSE:300369	Unifiedpost Group SA	ENXTBR:UPG	Litium AB	OM:LITI	Itim Group Plc	AIM:ITIM
MeridianLink, Inc.	NYSE:MLNK	Lemonsoft Oyj	HLSE:LEMON	Clavister Holding AB (publ.)	OM:CLAV	Omda AS	OB:OMDA
Fastly, Inc.	NYSE:FSLY	NFON AG	XTRA:NFN	BIMobject AB	OM:BIM	Volue ASA	OB:VOLUME
Learning Technologies Group plc	AIM:LTG	Pexip Holding ASA	OB:PEXIP	Enea AB	OM:ENEA	Karnov Group AB	OM:KAR
Tanla Platforms Limited	NSEI:TANLA	Oneflow AB	OM:ONEF	Generic Sweden AB	OM:GENI	Sectra AB	OM:SECT B
Everbridge, Inc.	NASDAQGM:EVBG	Checkin.Com Group AB	OM:CHECK	Sinch AB	OM:SINCH		
Semrush Holdings, Inc.	NYSE:SEMR	Access Intelligence Plc	AIM:ACC	Zalaris ASA	OB:ZAL		
Consensus Cloud Solutions, Inc.	NASDAQGS:CCSI	Upsales Technology AB	OM:UPSALE	nCino, Inc.	NASDAQGS:NCNO		
GB Group plc	AIM:GBG	Formpipe Software AB	OM:FPIP	Q2 Holdings, Inc.	NYSE:QTWO		

Sources: S&P Capital IQ as of March 31st 2023.

Important information

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