



TRANSLINK

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

TRANSLINK SAAS VALUATION INSIGHTS

Q2/2025

Translink Corporate Finance SaaS Valuation Insights Q2/2025

While median EV/Sales multiples appear stable over the last three years, they conceal a fundamental transition in performance: from growth to profitability

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 **126 companies**, with 43% headquartered in the Nordics, 21% in other parts of Europe, only 29% in the United States, and roughly 7% 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:



Ruben Moring
Partner

+358 50 436 1470
ruben.moring@translinkcf.fi



Juuso Marttinen
Partner

+358 50 561 4027
juuso.marttinen@translinkcf.fi



Hao Pan
Analyst

+358 50 518 9335
hao.pan@translinkcf.fi

Key observations of Q2/'25

- Since our inaugural SaaS Valuation Insights Report in early 2023, aggregate Nordic public SaaS valuations have remained broadly flat. Median EV/Sales multiples show little movement, but this stability conceals a clear shift: many Nordic SaaS companies are prioritising efficiency and margins, evolving into more profitable, albeit slower-growing businesses. The Rule of 40 has steadily rebalanced, with profitability increasingly outweighing growth quarter by quarter since late 2022
- Even so, leading index constituents continue to post strong growth and robust net revenue retention. The valuation and M&A environment remains highly favourable for high-quality SaaS companies, which are pulling away from weaker peers. Companies with strong moats, differentiated products, or distinctive successful go-to-market strategies, and the ability to deliver profitable growth despite tighter budgets and intensifying competition, continue to command premium valuation multiples. With more software investors entering the Nordics, competition for fewer high-quality private opportunities is driving up valuations for the winners

Key statistics

TSI traded at 3.1x LTM Sales at quarter-end Q2/'25	3-year average EV/LTM Sales multiple 3.7x TSI	TSI increased 1% during Q2/'25
Market outperformers¹ traded at 5.4x 2025E Sales at quarter-end Q2/'25	SaaS transactions completed 53 in the Nordics during Q2/'25	Median EV/Sales multiple 4.3x Nordic SaaS transactions during Q2/'25

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

1

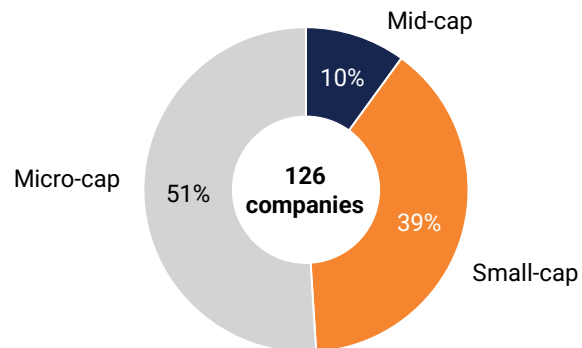
TRANSLINK SAAS VALUATION UPDATE Q2/2025

Overview of the Translink SaaS Index (I/III)

A strong representation of micro, small, and mid-cap SaaS companies from Europe and USA

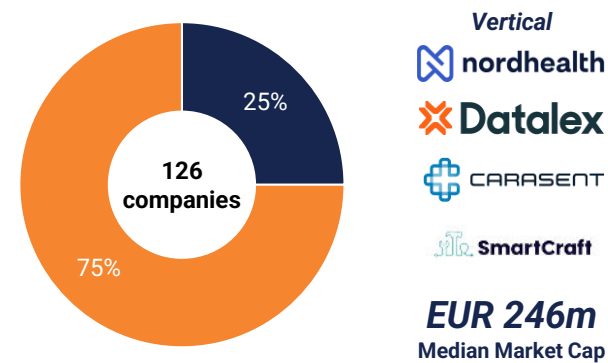
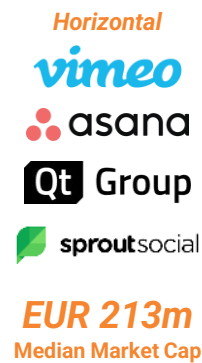
Micro and small-cap companies represent 90% of TSI

Size distribution¹, %



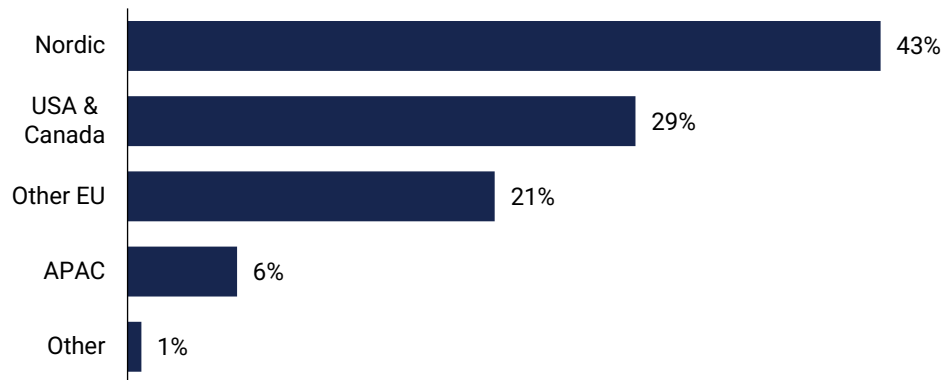
75% of TSI constituents are horizontal SaaS companies

Horizontal and vertical distribution, %



Nordic companies have strong representation in the index

Geographical distribution, %



Companies from the US and Canada have significantly higher market values

Geographical distribution, median market capitalisation in EUR million

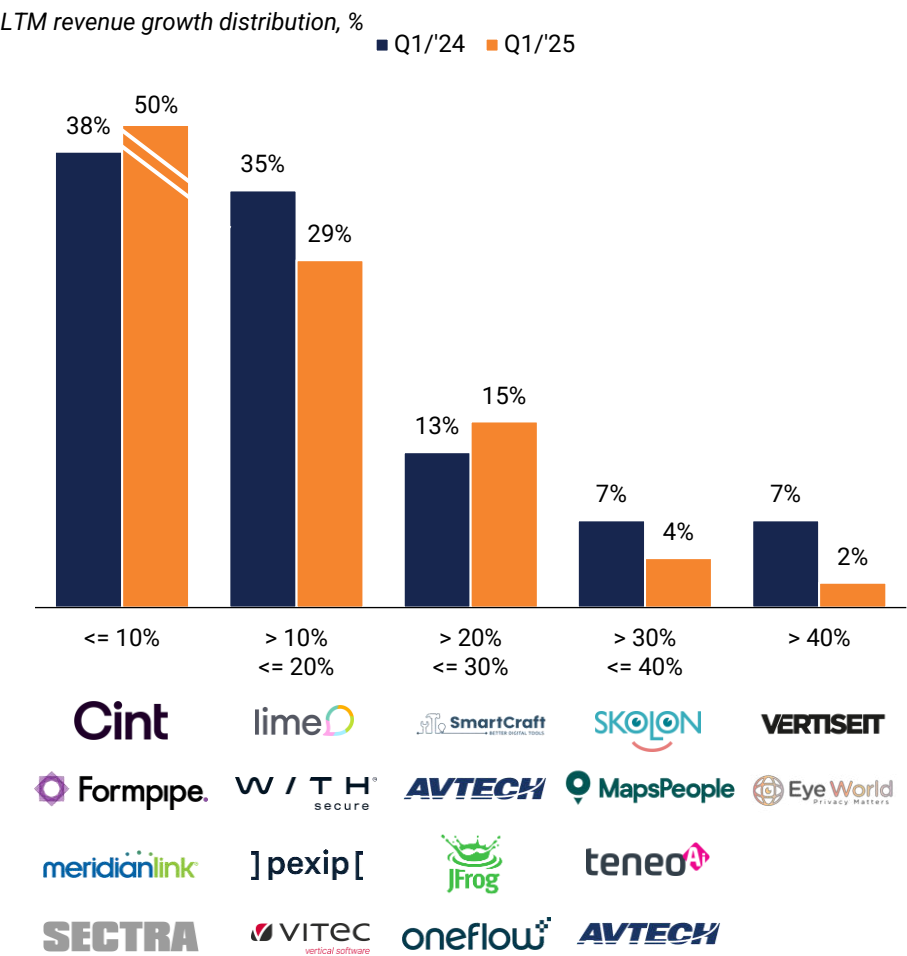


Sources: S&P Capital IQ as of June 27th, 2025. Note: 1) Micro-cap: Market value of less than EUR 250 million. Small-cap: Market value between EUR 250 million and EUR 2 billion. Mid-cap: Market value between EUR 2 billion and EUR 10 billion. Numbers may not sum 100 due to rounding.

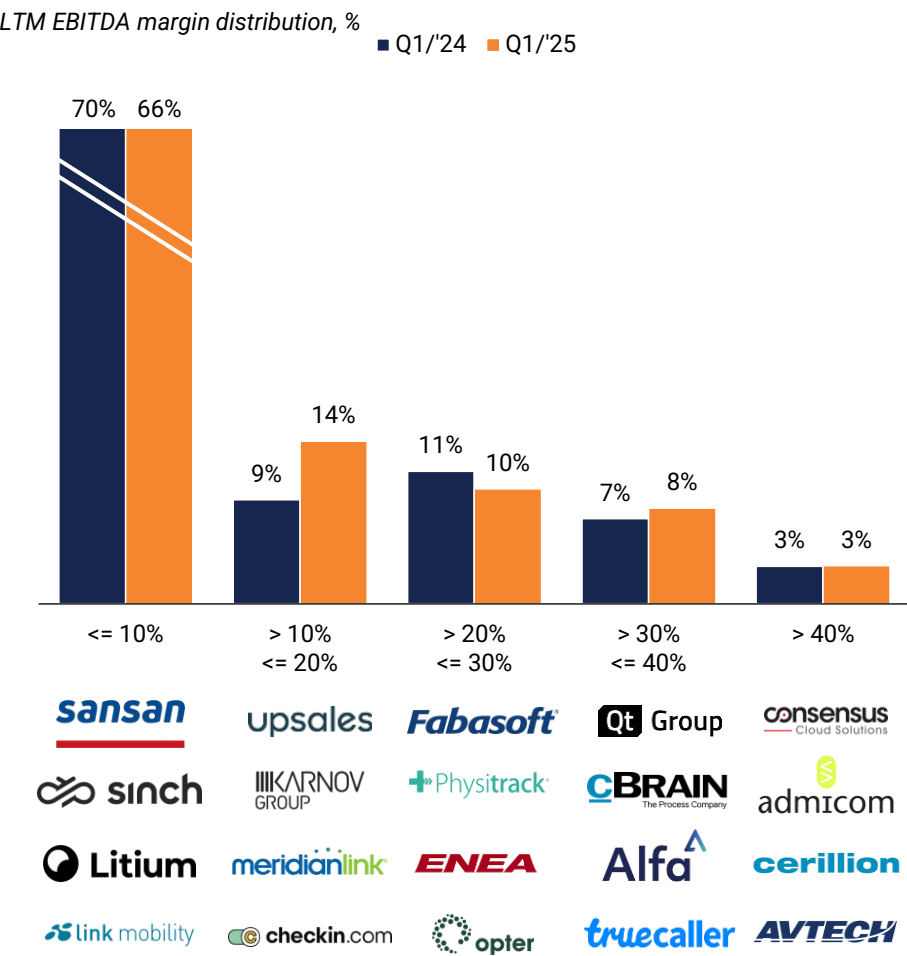
Overview of the Translink SaaS Index (II/III)

Facing tighter budgets and rising competition, many Nordic SaaS companies are prioritising efficiency and margins, becoming leaner businesses

Steady decline in aggregate growth since 2024



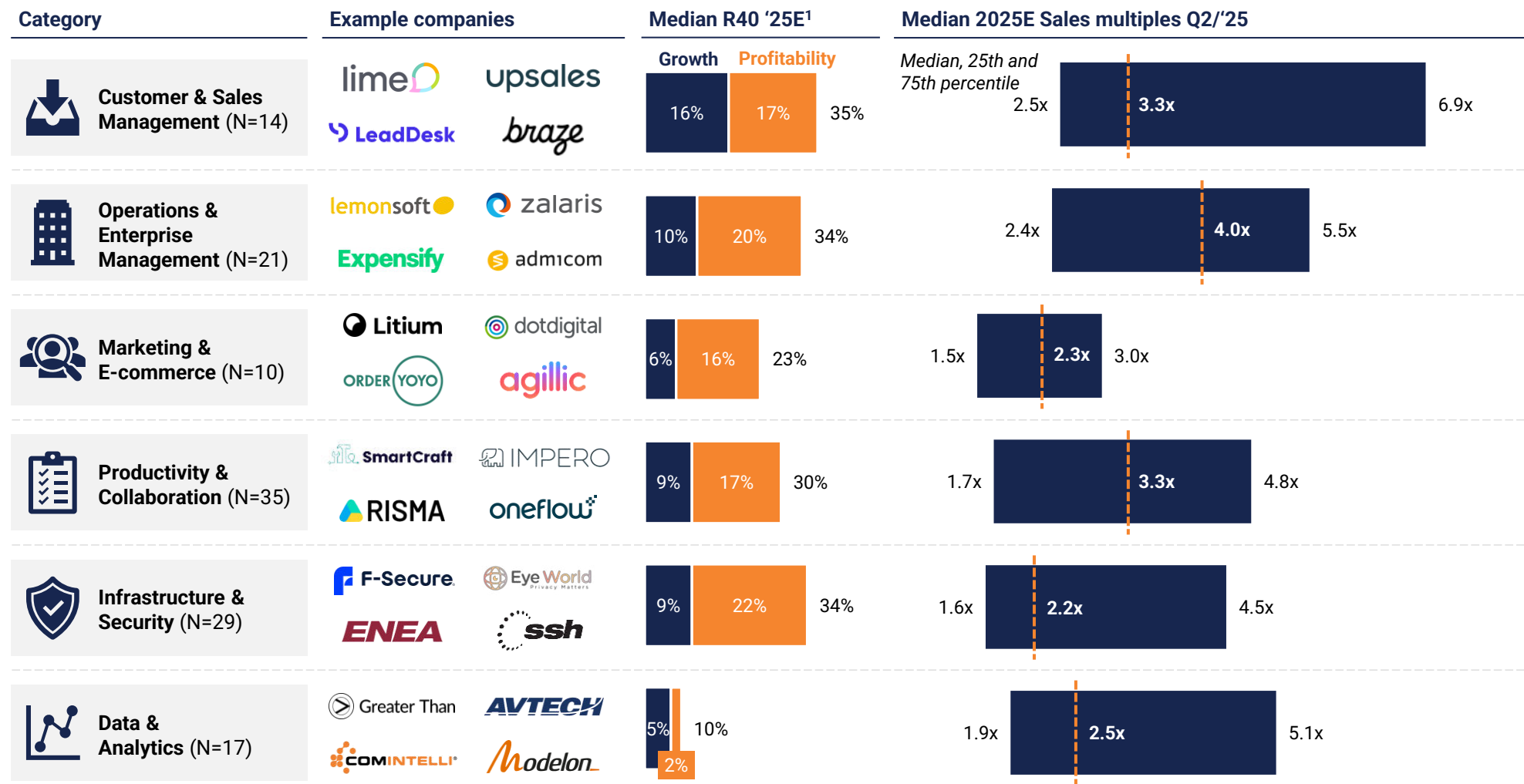
Profitability margins have begun to stabilise at a new “normal” distribution



Sources: S&P Capital IQ as of June 27th, 2025. Note: Numbers may not sum 100 due to rounding.

Overview of the Translink SaaS Index (III/III)

Wide performance disparities within and across categories explain the stretched valuation range between lower and upper quartiles



Sources: S&P Capital IQ as of June 27th, 2025. Note: 1) Median figures of Growth, Profitability, and Rule of 40 separately.

Rule of 40 distribution of TSI

Underperformers generally price just above the regression trend line, reflecting a ‘magic’ valuation floor near 2x EV/Sales, despite weak fundamentals

Top quartile achieved median 52% Rule of 40 and 5.3x 2025E EV/Sales

Fourth quartile
Median Rule of 40:
52%
N: 24



Third quartile
Median Rule of 40:
34%
N: 24



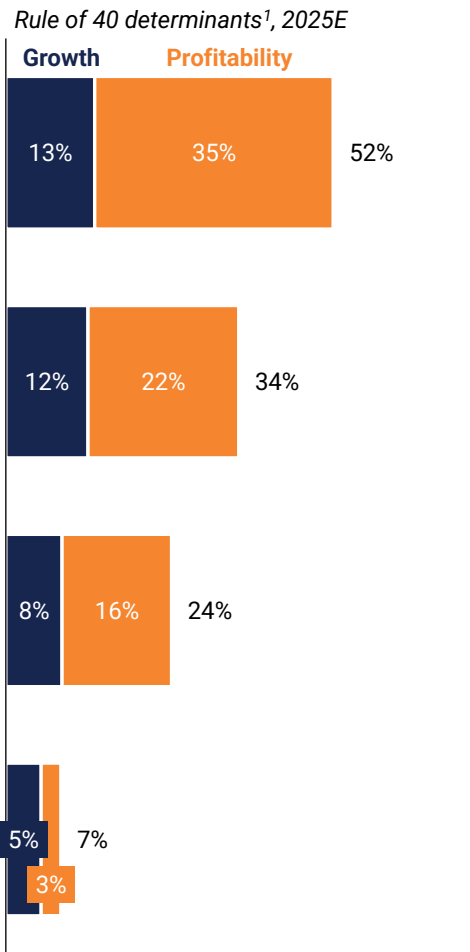
Second quartile
Median Rule of 40:
23%
N: 24



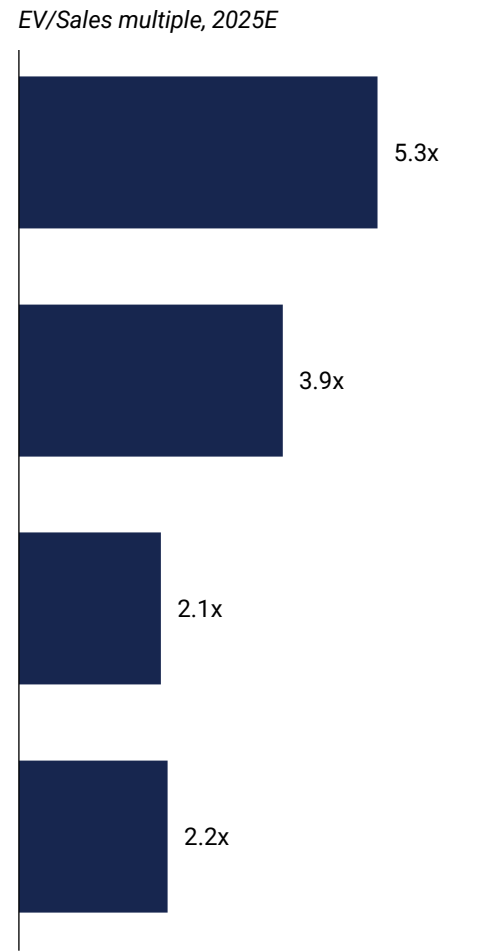
First quartile
Median Rule of 40:
7%
N: 24



Profitability has been the main contributor of Rule of 40



Valuations are increasingly diverging across quartiles



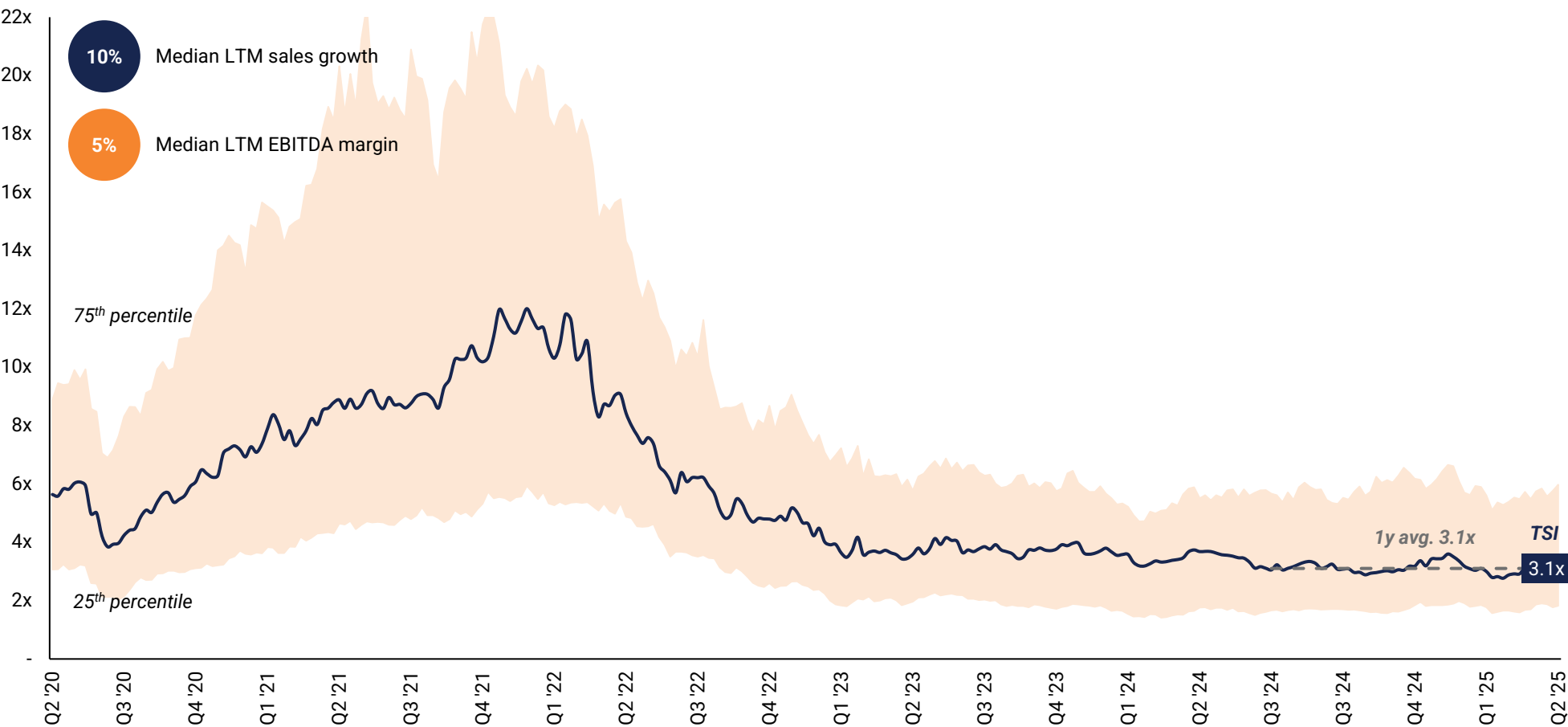
Sources: S&P Capital IQ as of June 27th, 2025. Note: 1) Median figures of Growth, Profitability, and Rule of 40 separately. 30 companies excluded from the analyses due to insufficient data.

Development of TSI (I/V)

The median EV/LTM Sales multiple for the Translink SaaS Index is currently 3.1x

TSI is currently trading at 3.1x EV/LTM Sales

Median EV/LTM Sales



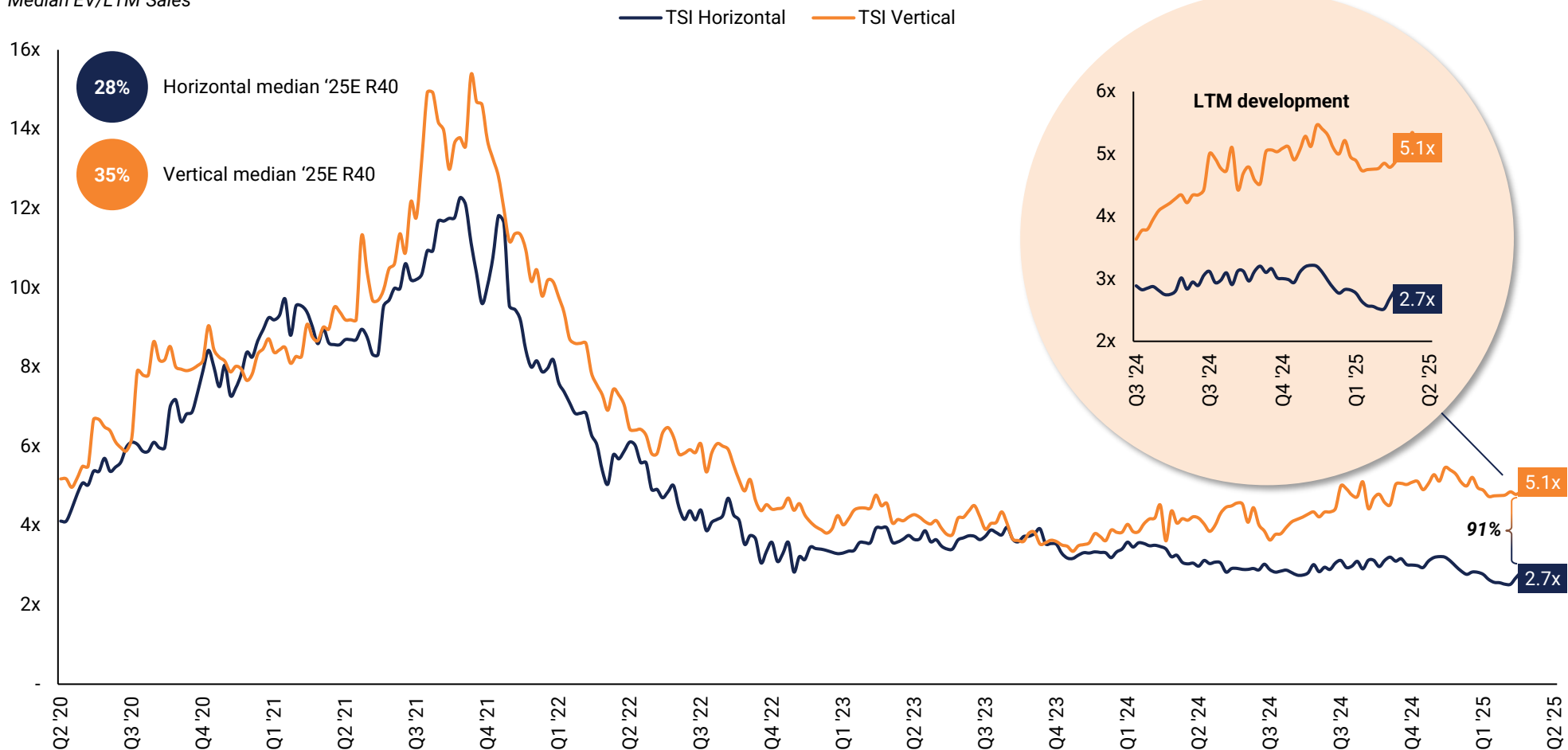
Sources: S&P Capital IQ as of June 27th, 2025. Note: Translink SaaS Index shows the Enterprise Value (EV) to last twelve months (LTM) revenue of public B2B SaaS companies from Europe, North America and Asia with EVs capped at EUR 5 billion. Median EV of the index is around EUR 0.2 billion.

Development of TSI (II/V)

Vertical SaaS continues to outperform Horizontal SaaS in valuations, with the premium widening to 91% in Q2/'25 from 77% in Q1/'25

Vertical SaaS companies traded 91% higher in EV/LTM Sales than Horizontal SaaS companies at the end of Q2/'25

Median EV/LTM Sales



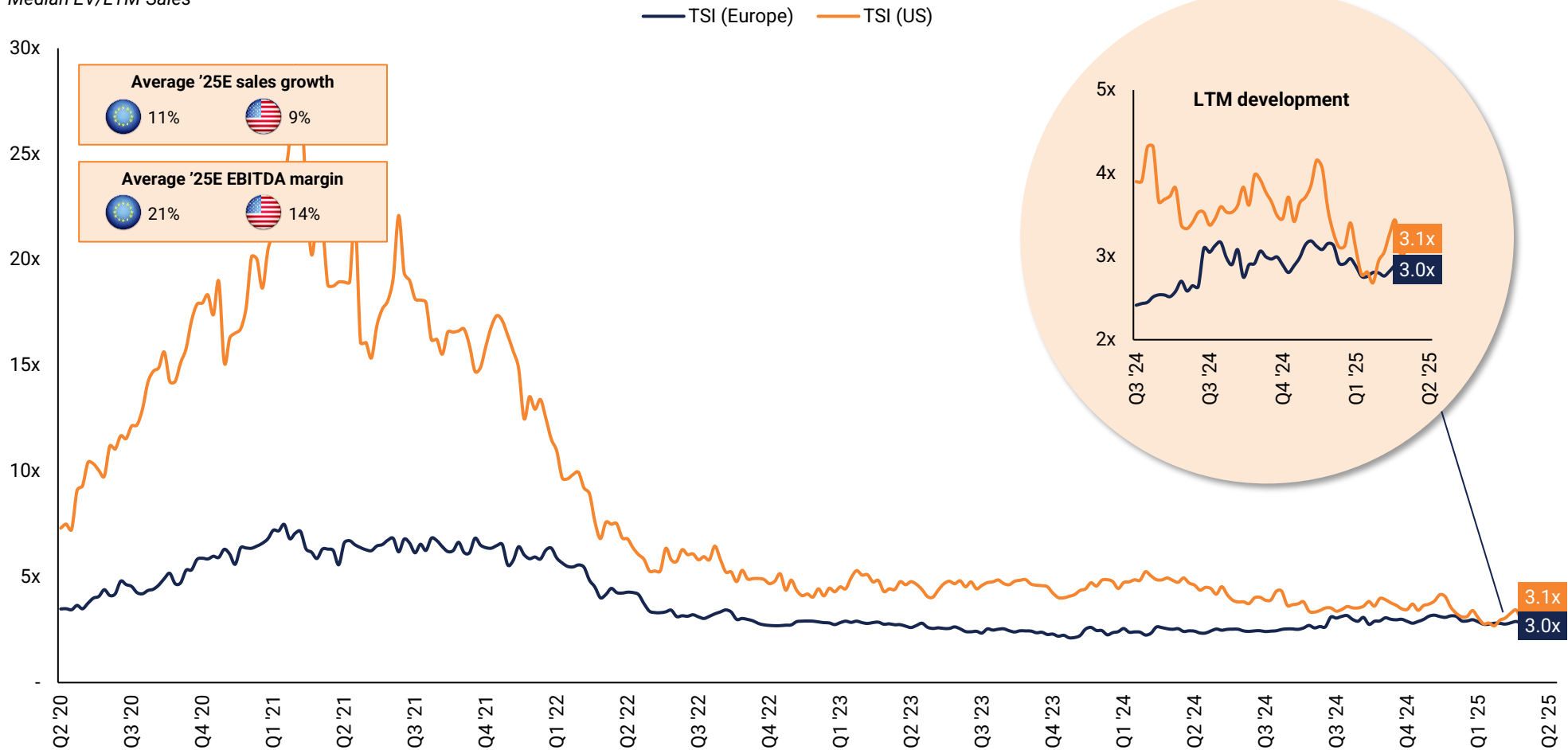
Sources: S&P Capital IQ as of June 27th, 2025.

Development of TSI (III/V)

The valuation gap between North American and European micro, small, and mid-cap SaaS companies has collapsed, though this convergence has not extended to US large caps

At the close of Q2/'25, the valuation gap between US and European SaaS companies narrowed to just 5%

Median EV/LTM Sales

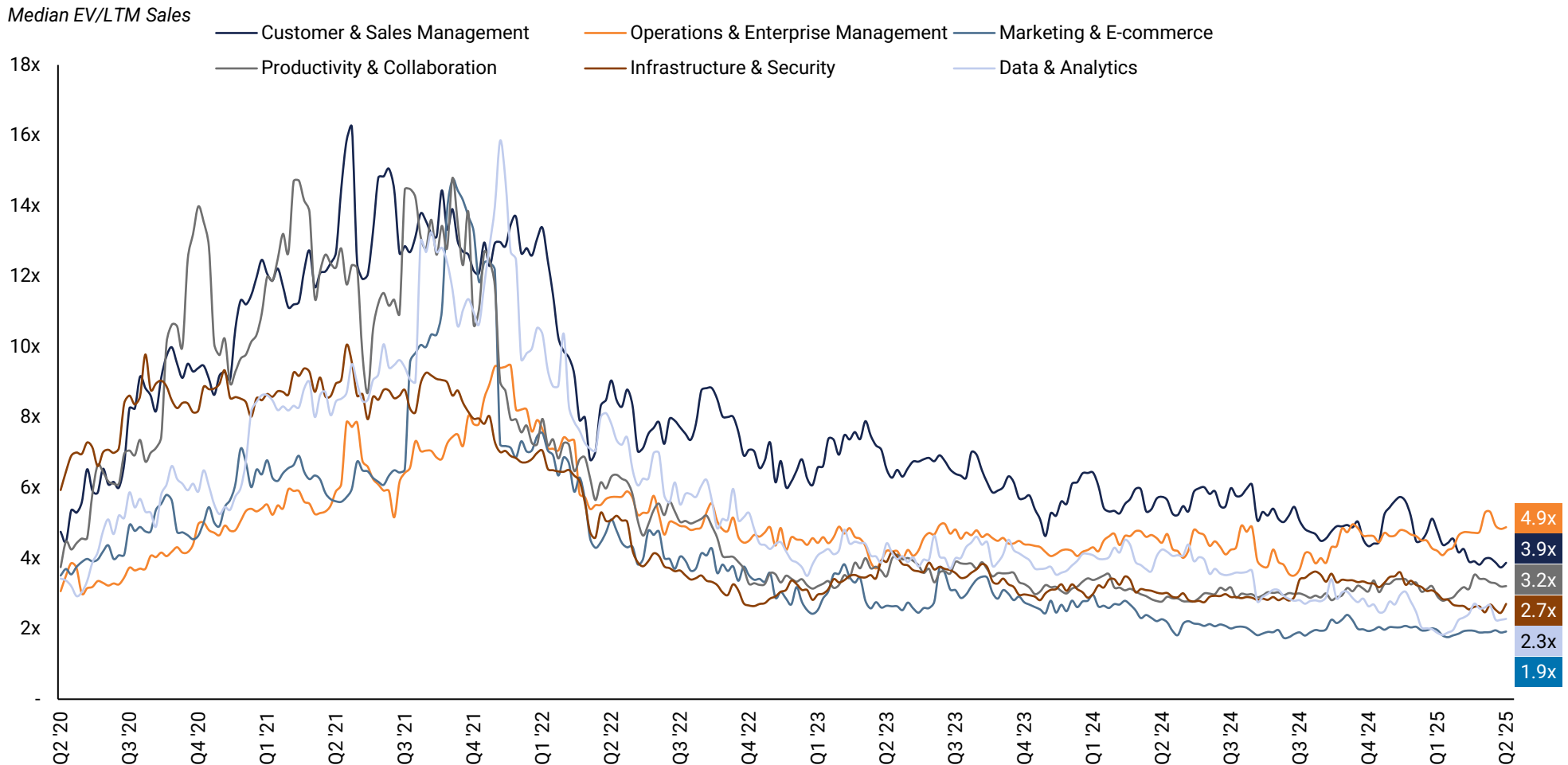


Sources: S&P Capital IQ as of June 27th, 2025.

Development of TSI (IV/V)

Operations & Enterprise Management SaaS firms lead over Customer & Sales Management, commanding the highest EV/Sales multiple at 4.9x

EV/Sales multiple development by SaaS category



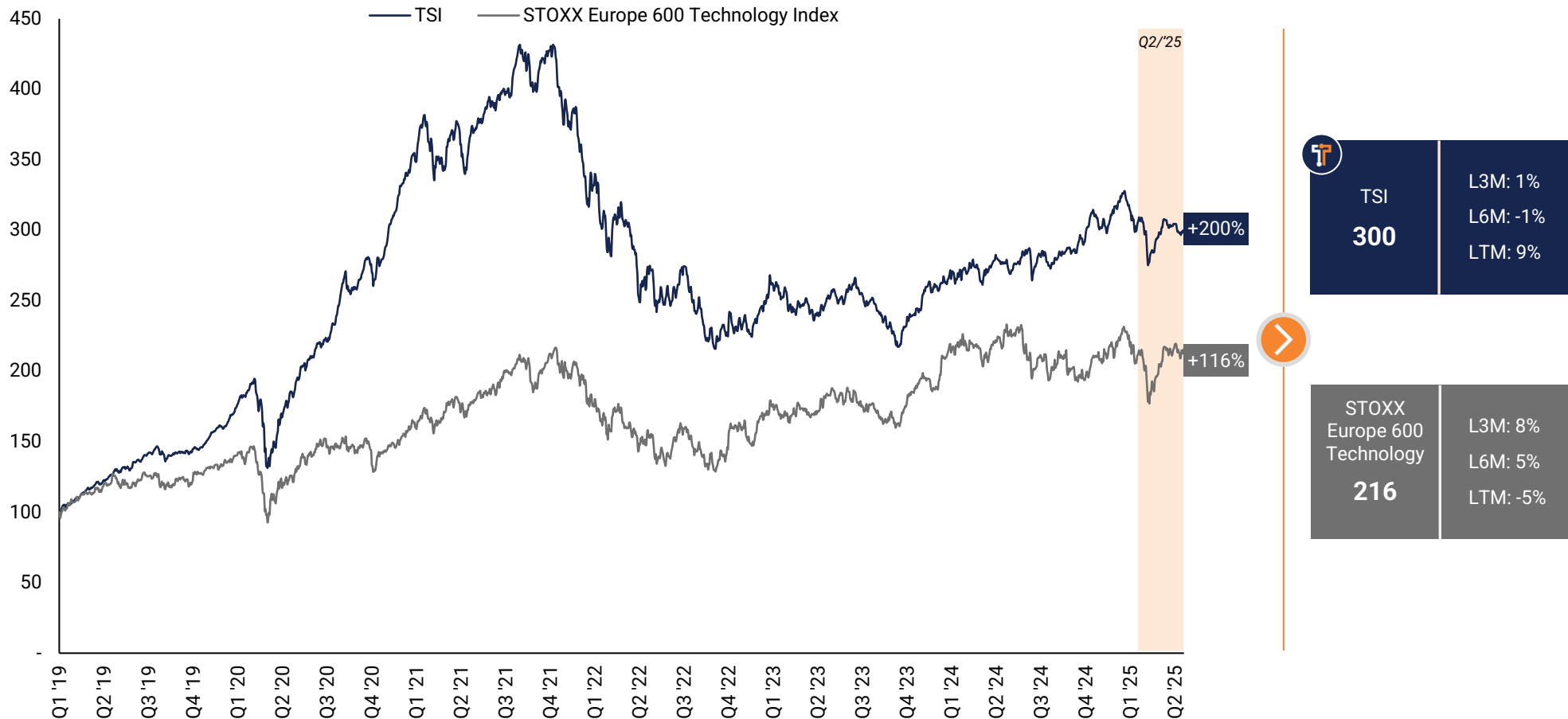
Sources: S&P Capital IQ as of June 27th, 2025. Note: Translink SaaS Index shows the Enterprise Value (EV) to last twelve months (LTM) revenue of public B2B SaaS companies from Europe, North America and Asia with EVs capped at EUR 5 billion. Median EV of the index is around EUR 0.3 billion.

Development of TSI (V/V)

The TSI rose just 0.9% in Q2/'25 versus Q1/'25, lagging the broader STOXX Europe 600 Technology index, which gained 8% during the period

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 June 27th, 2025. 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 5 billion. Median EV of the index is around EUR 0.2 billion.

Growth-adjusted EV/Sales (I/II)

A simple, yet powerful metric used to evaluate valuation relative to expected revenue growth

Growth-adjusted EV/Sales multiple

The ratio offers a quick overview of how expensive a stock is relative to its expected sales growth. For example, if a company trades at 5x EV/Sales and has 10% sales growth, the Growth-Adjusted EV/Sales is 0.5 (5/10)

- A ratio above 0.3 suggests the stock may be overvalued relative to expected growth
- A ratio below 0.3 implies potential undervaluation
- Benchmark of 0.3 reflects long-term median excl. post-Covid peak

Formula: EV/Sales (NTM) / Sales growth (NTM)

Example:

Consider two companies with identical EV/Sales multiples but different growth profiles. As shown in the Table, Company 1 — with stronger sales growth — has a lower Growth-Adjusted EV/Sales, making it the more attractive investment compared to Company 2 all other things being equal

Company	EV/Sales NTM	Sales growth NTM	Growth-adjusted EV/Sales
Company 1	5.0x	30%	0.17
Company 2	5.0x	10%	0.50

Top 10 highest and lowest Growth-adjusted EV/Sales multiples in TSI

#	Company	Growth-adjusted EV/Sales	EV/Sales NTM	Sales growth NTM (%)	EBITDA margin NTM (%)
Top 10					
1	eagleeye	2.2	1.0x	0.5%	23.7%
2	DISCO	2.2	1.0x	0.5%	-9.4%
3	asana	1.6	3.6x	2.2%	8.5%
4	Q2	1.4	7.1x	5.0%	22.3%
5	VARONIS	1.3	7.8x	6.1%	3.2%
6	KINAXIS	1.1	6.7x	6.2%	24.6%
7	Couchbase	1.0	4.9x	4.7%	-2.7%
8	SECTRA	1.0	17.2x	16.5%	21.6%
9	JFrog	1.0	8.3x	8.8%	15.1%
10	fastly	0.9	1.8x	2.0%	8.0%
Bottom 10					
95	Expensify	-0.8	1.2x	-1.5%	25.4%
96	sprinklr	-0.8	1.9x	-2.3%	18.0%
97	Litium	-1.1	2.2x	-1.9%	17.0%
98	sinch	-1.4	1.0x	-0.7%	12.7%
99	SAFETURE	-2.1	3.1x	-1.5%	14.2%
100	Xero	-2.4	2.2x	-0.9%	23.6%
101	oneflow	-2.7	3.4x	-1.3%	1.5%
102	meridianlink	-3.2	4.6x	-1.5%	39.6%
103	Epicor	-3.7	2.3x	-0.6%	24.5%
104	avidxchange	-6.0	3.6x	-0.6%	19.3%

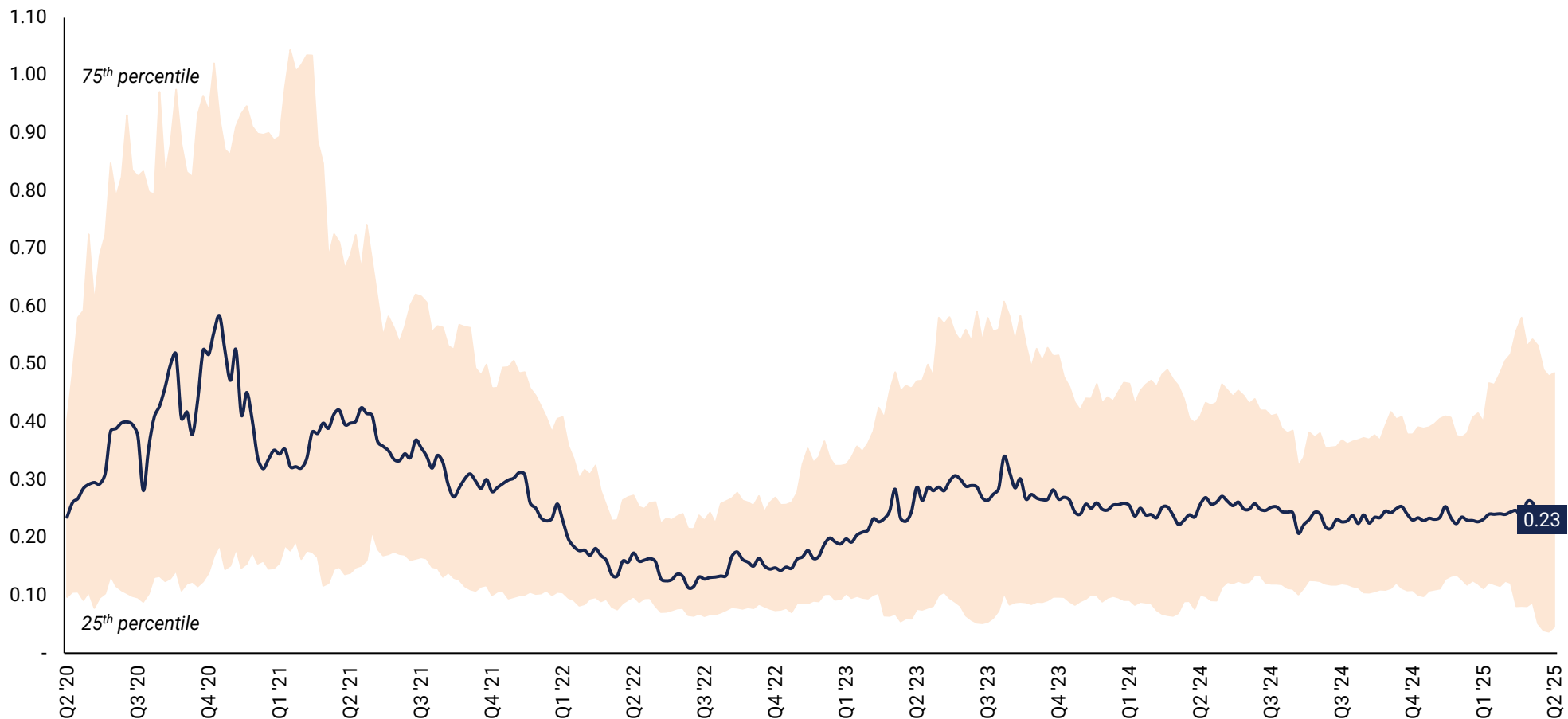
Sources: S&P Capital IQ as of June 27th, 2025. Note: No sales growth (NTM) projections for 20 companies. Two outliers nCino and PagerDuty were excluded from the analysis.

Growth-adjusted EV/Sales (II/II)

The TSI's median growth-adjusted EV/Sales multiple stands at 0.2, indicating valuations are low relative to expected growth compared with the long-term benchmark of around 0.3

TSI's Growth-adjusted EV/Sales has stabilised at pre-COVID levels, hovering around 0.2–0.3 for the past two years

Median Growth-Adjusted EV/NTM Sales

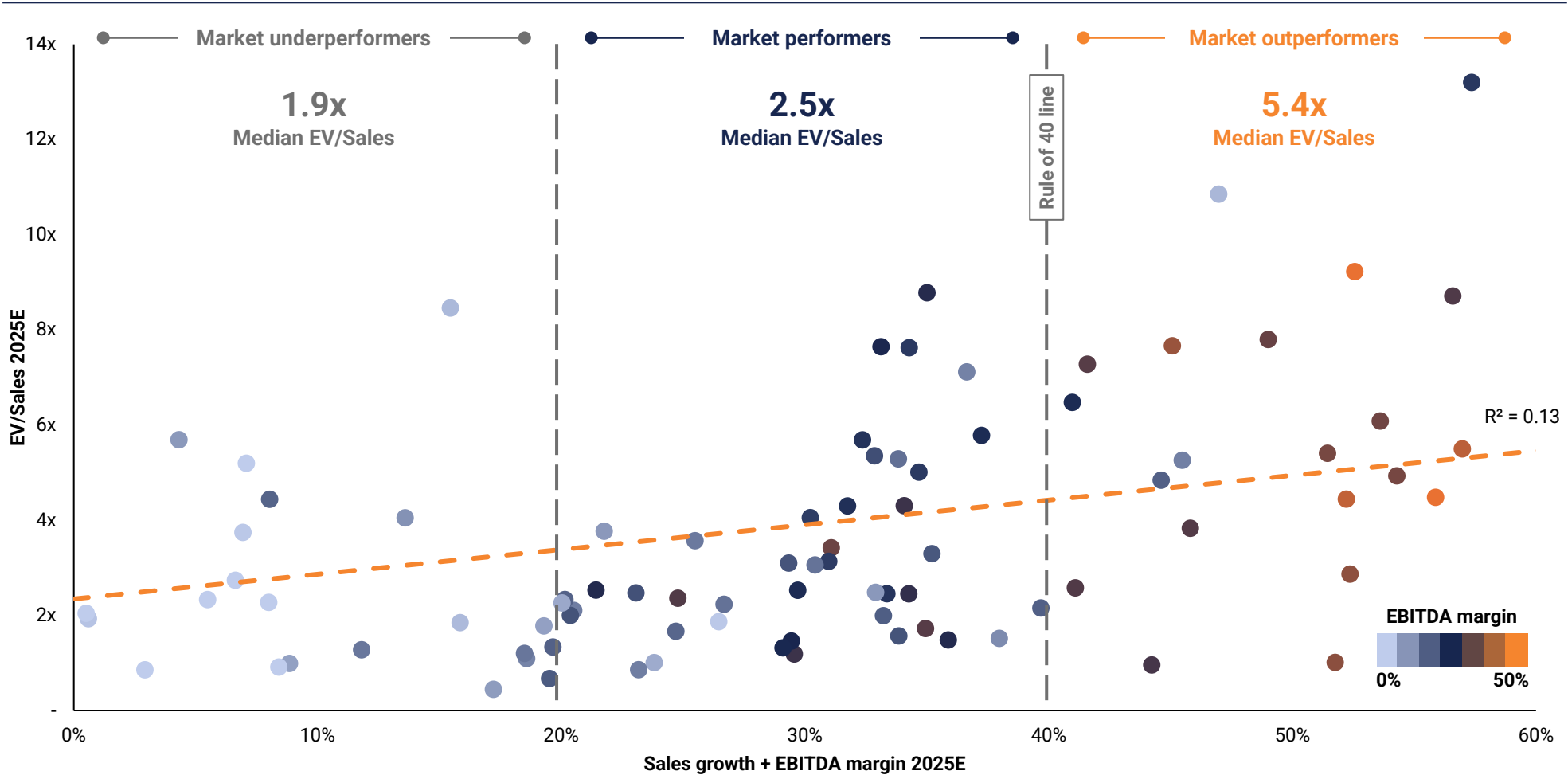


Sources: S&P Capital IQ as of June 27th, 2025. Note: Growth-Adjusted EV/Sales multiple is calculated by EV over NTM sales over NTM sales growth rate.

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

Market outperformers with high profitability and growth prospects trade at around 5.4x 2025E Sales

Companies exhibiting a high profitability profile command premium valuations

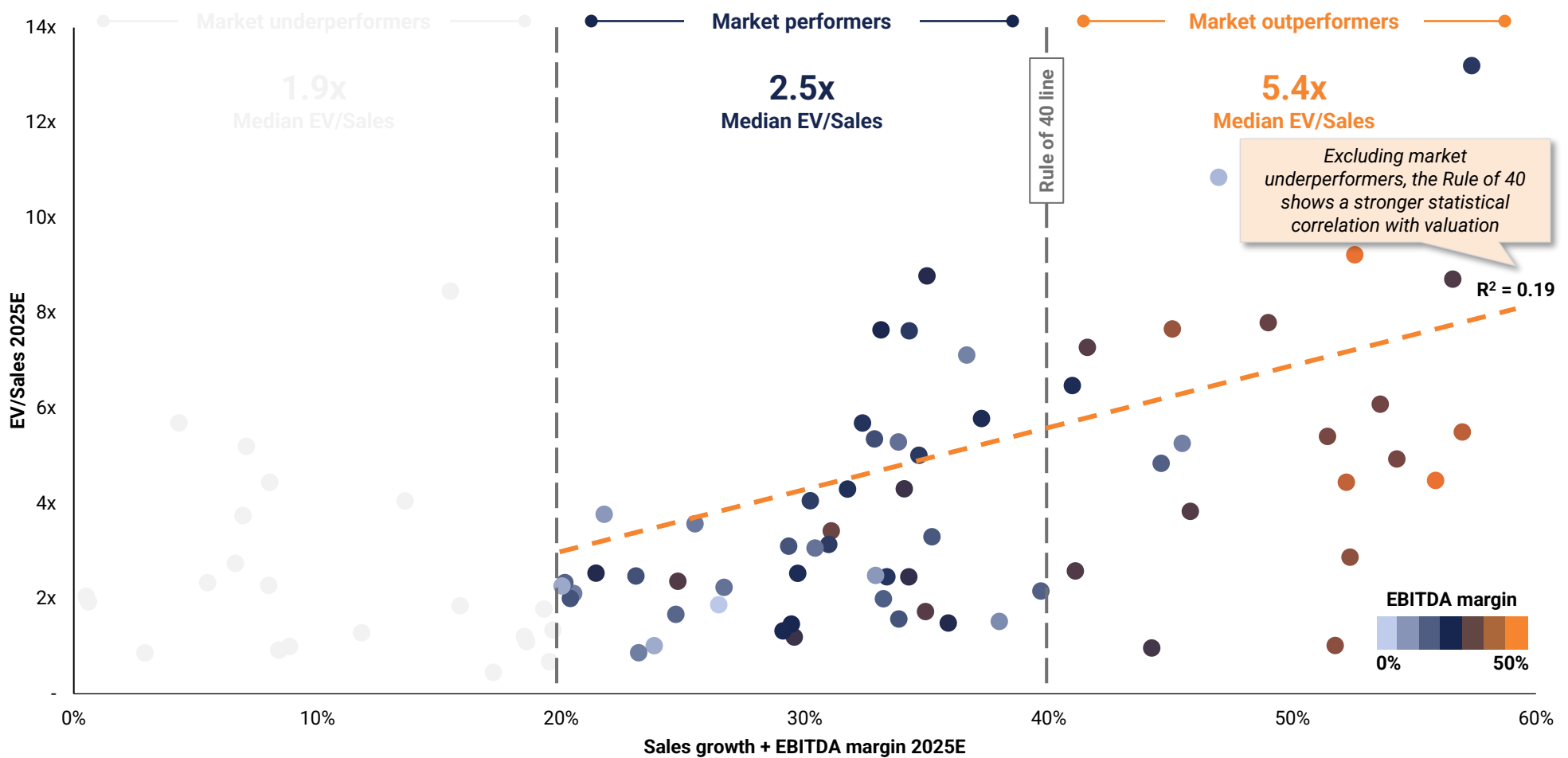


Sources: S&P Capital IQ as of June 27th, 2025. Note: 30 companies excluded from the analyses due to insufficient data.

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

Excluding market underperformers leads to an improvement in regression accuracy

Companies exhibiting a high profitability profile command premium valuations



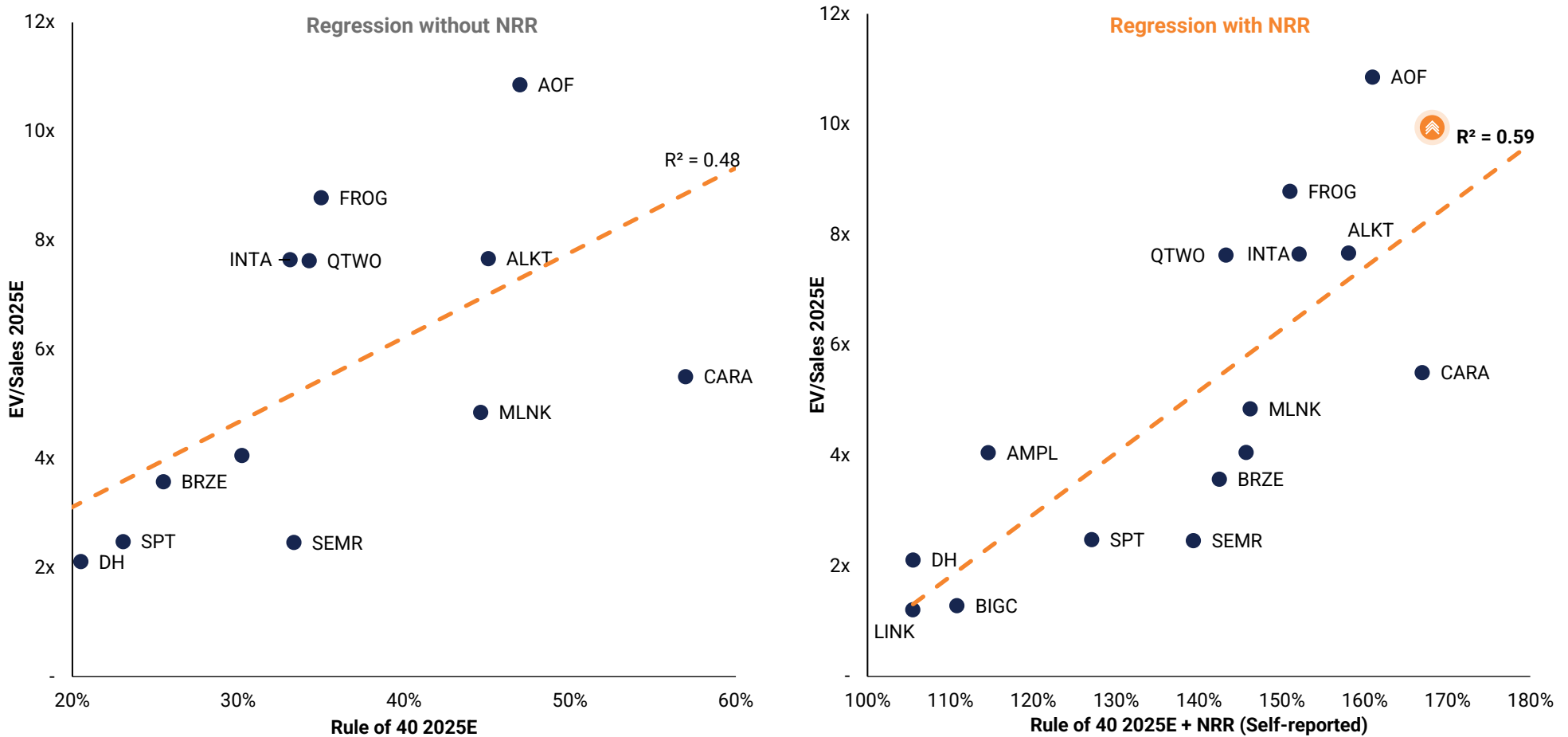
Sources: S&P Capital IQ as of June 27th, 2025. Note: 30 companies excluded from the analyses due to insufficient data.

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

By including net revenue retention in the equation, the explanatory power is enhanced, and we recommend this approach for a more accurate comparison

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

Illustration of how NRR increases the explanation power behind the valuation



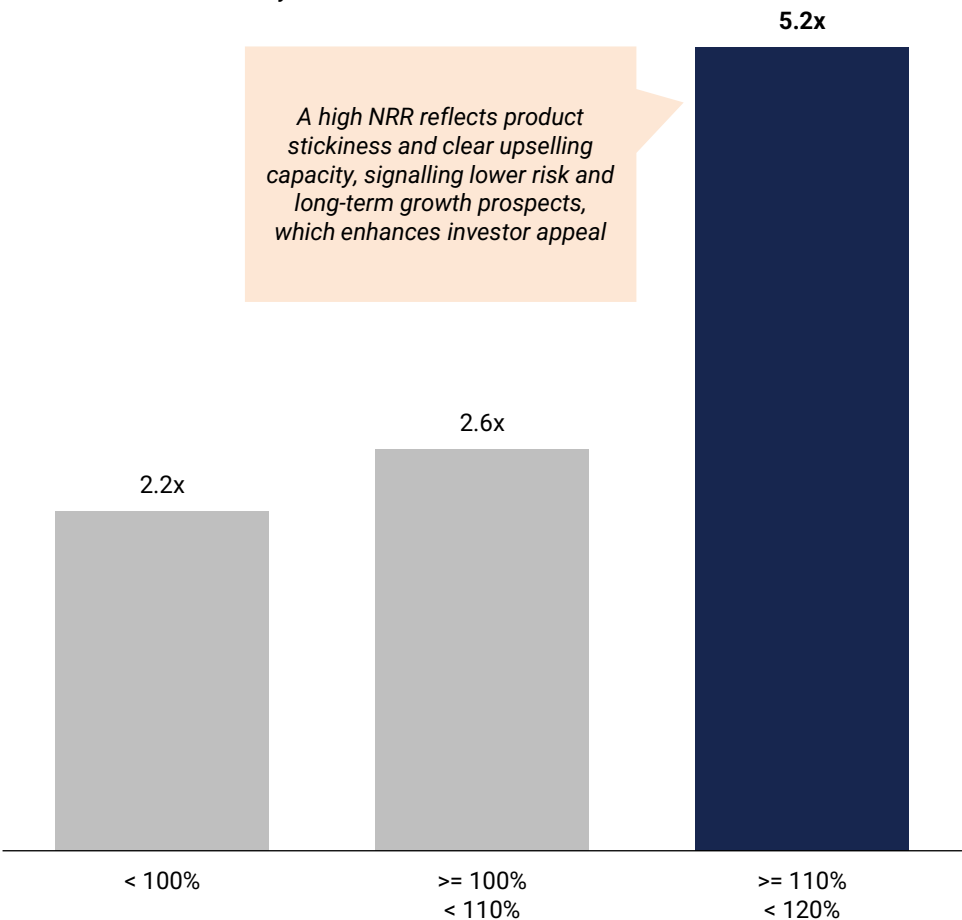
Sources: S&P Capital IQ as of June 27th, 2025. Companies' earnings reports. Note: Net Revenue Retention figures are self-reported by Companies and are based on the latest figure.

Development of NRR

The continuous decline in median NRR, alongside widening valuation spreads, supports the overarching “tale of two cities” theme

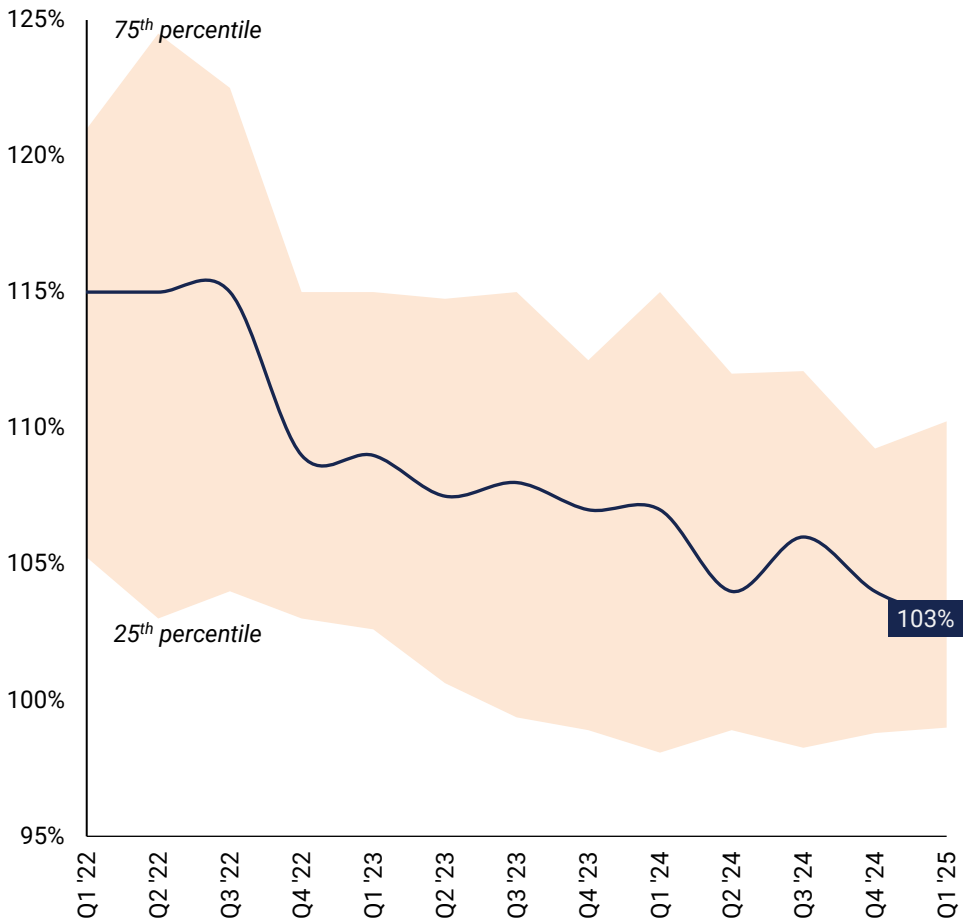
High-NRR companies command premium valuations

Median EV/Sales 2025E by NRR



Companies experiencing declining NRR, with Q2/'25 median NRR at 103%

Median Net Revenue Retention (NRR) of TSI¹



Sources: S&P Capital IQ as of June 27th, 2025. Companies' earnings reports. Note: Net Revenue Retention figures are self-reported by Companies and are based on the latest figure. 1) Average observations (N) since Q1/'22 is 35.



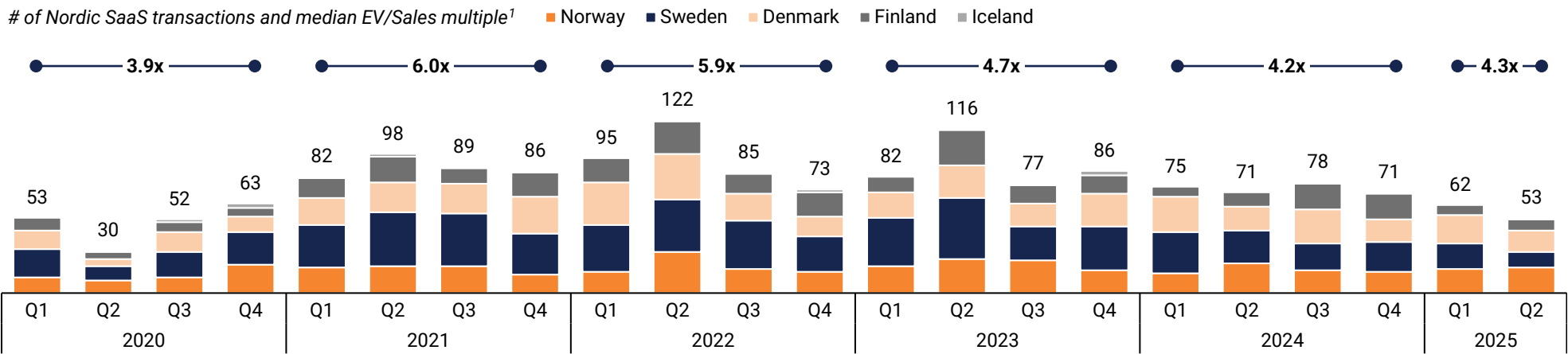
2

NORDIC SAAS M&A TRANSACTIONS

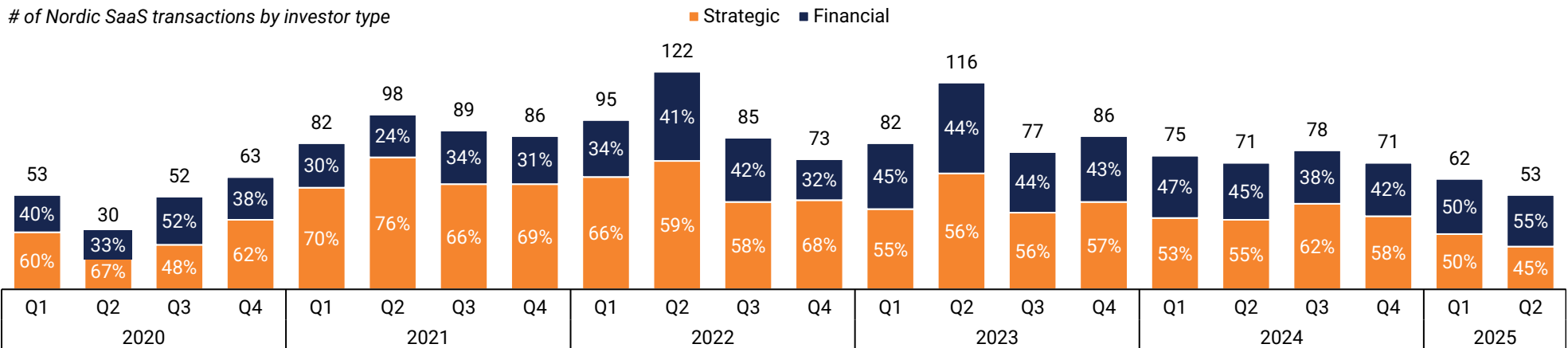
Nordic SaaS transactions from 2020 to Q2/2025

While transaction multiples have remained consistent with 2024 levels, overall deal activity in H1/2025 has shown modest softness compared to H1/2024

Q2/2025 saw a further decline in Nordic SaaS transaction volumes



Financial buyers demonstrated strong M&A appetite during H1/2025

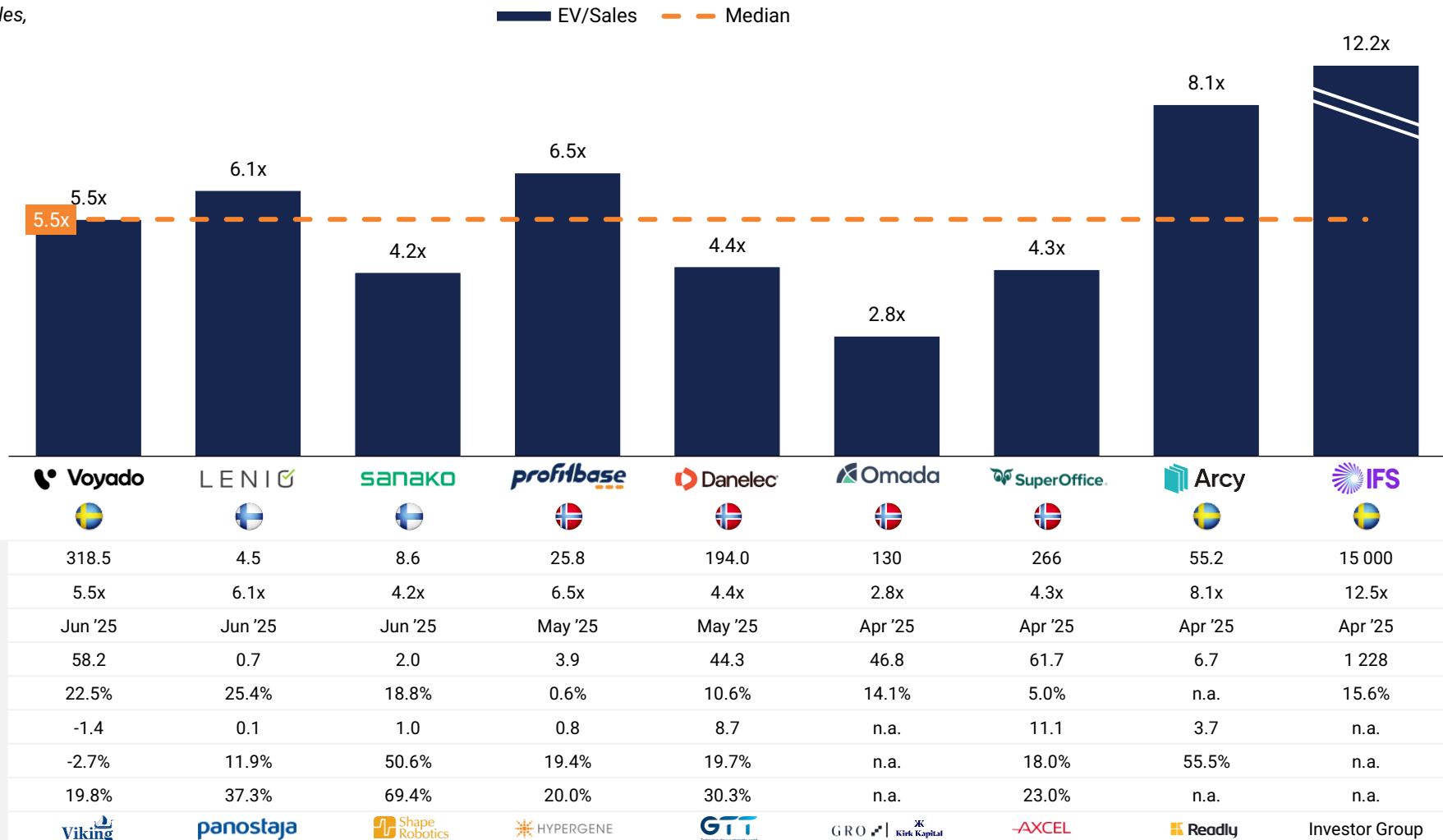


Sources: S&P Capital IQ as of June 27th, 2025, Mergermarket and Valu8. Note: 1) Each transaction has been validated and is based on Mergermarket output of selected sector criteria and free text search "SaaS" or "Cloud" for Nordic countries. Yearly median EV/Sales is only for transactions with publicly available multiples.

Selected Nordic SaaS transactions in Q2/2025

Transaction multiples exceeding 4x are achievable with strong profitability, high-quality growth, and clear synergy potential

Transaction multiples,
EV/Sales



Sources: S&P Capital IQ as of June 27th, 2025, Mergermarket and Valu8.

The background image is a monochromatic, blue-tinted photograph of a historic building, likely a train station. On the left, a large arched entrance features the word "STATION" in large, capital letters. To the right, a tall clock tower with two visible clock faces rises into the sky. In the foreground, two large statues of figures holding lanterns stand on a pedestal. A modern glass and metal structure, possibly a bus stop or transit shelter, is visible in the lower right. A bicycle is parked near it. The overall scene is urban and architectural.

3

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

- 50 years of 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 financial and strategic investors 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
- ✓ Investor dialogue
- ✓ Negotiations
- ✓ Sales material preparation
- ✓ Financial modelling



Buy side M&A advisory

- ✓ Project management
- ✓ Target screening
- ✓ Target dialogue
- ✓ Negotiations
- ✓ Transaction structuring



Financing advisory

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



Other services

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

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

...supported by a broad offering of financial advisory

Translink Corporate Finance references

Selected Nordic SaaS transactions



TSI constituents

Index constituents and respective stock tickers

Sprout Social, Inc.	NASDAQCM:SPT	Expensify, Inc.	NASDAQGS:EXFY	PCI-PAL PLC	AIM:PCIP	msg life ag	HMSE:MSGL
Asana, Inc.	NYSE:ASAN	Coveo Solutions Inc.	TSX:CVO	essensys plc	AIM:ESYS	4C Group AB (publ)	OM:4C
Braze, Inc.	NASDAQGS:BRZE	Couchbase, Inc.	NASDAQGS:BASE	Agillic A/S	CPSE:AGILC	Skolon AB (publ)	OM:SKOLON
Kinaxis Inc.	TSX:KXS	Vimeo, Inc.	NASDAQGS:VMEQ	Ifirma SA	WSE:IFI	Datalex plc	ISE:DLE
Varonis Systems, Inc.	NASDAQGS:VRNS	F-Secure Oyj	HLSE:FSECURE	Mapspeople A/S	CPSE:MAPS	Vertiseit AB (publ)	OM:VERT b
DigitalOcean Holdings, Inc.	NYSE:DOCN	Agora, Inc.	NASDAQGS:API	Nepa AB (publ)	OM:NEPA	Physitrack PLC	OM:PTRK
PagerDuty, Inc.	NYSE:PD	Domo, Inc.	NASDAQGM:DOMO	Briox AB (publ)	NGM:BRIX	CodeLab Capital AS	OB:CODE
Lightspeed Commerce Inc.	TSX:LSPD	dotdigital Group Plc	AIM:DOTD	Crimson Tide plc	AIM:TIDE	Opter AB (publ)	OM:OPTER
Jamf Holding Corp.	NASDAQGS:JAMF	Lime Technologies AB (publ)	OM:LIME	OTRS AG	DB:TR9	Itim Group Plc	AIM:ITIM
JFrog Ltd.	NASDAQGS:FROG	ReadyTech Holdings Limited	ASX:RDY	Litium AB (publ)	OM:LITI	Omda AS	OB:OMDA
Sprinklr, Inc.	NYSE:CXM	Fabasoftware AG	XTRA:FAA	Clavister Holding AB (publ.)	OM:CLAV	Karnov Group AB (publ)	OM:KAR
AvidXchange Holdings, Inc.	NASDAQGS:AVDX	WithSecure Oyj	HLSE:WITH	BIMobject AB	OM:BIM	Sectra AB (publ)	OM:SECT B
Rapid7, Inc.	NASDAQGM:RPD	LINK Mobility Group Holding ASA	OB:LINK	Enea AB (publ)	OM:ENEA	Nexcom A/S	CPSE:NEXCOM
Money Forward, Inc.	TSE:3994	Sidetrade SA	ENXTPA:ALBFR	Generic Sweden AB	OM:GENI	Impero A/S	CPSE:IMPERO
E2open Parent Holdings, Inc.	NYSE:ETWO	Tecnotree Oyj	HLSE:TEM1V	Sinch AB (publ)	OM:SINCH	RISMA Systems A/S	CPSE:RISMA
Intapp, Inc.	NASDAQGS:INTA	Shoper S.A.	WSE:SHO	Zalaris ASA	OB:ZAL	Konsolidator A/S	CPSE:KONSOL
Truecaller AB (publ)	OM:TRUE B	Eagle Eye Solutions Group PLC	AIM:EYE	nCino, Inc.	NASDAQGS:NCNO	Safeture AB (publ)	OM:SFTR
C3.ai, Inc.	NYSE:AI	Banqup Group SA	ENXTBR:BANQ	Q2 Holdings, Inc.	NYSE:QTWO	Modelon AB (publ)	OM:MODEL
Amplitude, Inc.	NASDAQCM:AMPL	Lemonsoft Oyj	HLSE:LEMON	Vitec Software Group AB (publ)	OM:VIT B	Teneo AI AB (publ)	OM:TENEO
ATOSS Software SE	XTRA:AOF	NFON AG	XTRA:NFN	Alkami Technology, Inc.	NASDAQGS:ALKT	AVTECH Sweden AB (publ)	OM:AVT B
Sansan, Inc.	TSE:4443	Pexip Holding ASA	OB:PEXIP	Definitive Healthcare Corp.	NASDAQGS:DH	SSH Communications Security Oyj	HLSE:SSH1V
Qt Group Oyj	HLSE:QTCOM	Oneflow AB (publ)	OM:ONEF	Olo Inc.	NYSE:OLO	Comintelli AB (publ)	NGM:COMINT
Linklogis Inc.	SEHK:9959	Checkin.Com Group AB (publ)	OM:CHECK	Vobile Group Limited	SEHK:3738	Eye World AB (publ)	NGM:EYEW
NSFOCUS Technologies Group Co., Ltd.	SZSE:300369	Upsales Technology AB (publ)	OM:UPSALE	Dye & Durham Limited	TSX:DND	Neovici Holding AB (publ)	OM:NEO B
MeridianLink, Inc.	NYSE:MLNK	Formpipe Software AB (publ)	OM:FPIP	Alfa Financial Software Holdings PLC	LSE:ALFA		
Fastly, Inc.	NYSE:FSLY	Greater Than AB	OM:GREAT	cBrain A/S	CPSE:CBRAIN		
Tanla Platforms Limited	NSEI:TANLA	Verimatrix SA	ENXTPA:VMX	Blend Labs, Inc.	NYSE:BLND		
Semrush Holdings, Inc.	NYSE:SEMR	Bambuser AB (publ)	OM:BUSER	Cerillion Plc	AIM:CER		
Consensus Cloud Solutions, Inc.	NASDAQGS:CCSI	ActiveOps Plc	AIM:AOM	CS Disco, Inc.	NYSE:LAW		
GB Group plc	AIM:GBG	Growens S.p.A.	BIT:GROW	SmartCraft ASA	OB:SMCRT		
Cint Group AB (publ)	OM:CINT	Vantea SMART S.p.A.	BIT:VNT	Admicom Oyj	HLSE:ADMCM		
Yext, Inc.	NYSE:YEXT	LeadDesk Oyj	HLSE:LEADD	Nordhealth AS	OB:NORDH		
BigCommerce Holdings, Inc.	NASDAQGM:BIGC	Zenvia Inc.	NASDAQCM:ZENV	Quartix Technologies plc	AIM:QTX		
Cybozu, Inc.	TSE:4776	GetBusy plc	AIM:GETB	Carasent AB (publ)	OM:CARA		

Sources: S&P Capital IQ as of June 27th, 2025.

Important information

Disclaimer

This document (the “**Document**”) has been produced by Translink Corporate Finance Oy (“**Translink**”) solely for information and educational purposes. The alignment of information and data set out in this Document is the exclusive property of Translink and Translink retains all proprietary rights therein.

The information set out in this Document has been gathered solely from such sources as identified in the Document as well as from publicly available information but has not been independently verified. The information set out herein has been derived from sources that Translink consider reliable, but Translink cannot guarantee the veracity, completeness or accuracy of the indices or other information presented in this Document and all information is provided on as “as-is” basis. The information presented herein are not, and do not purport to be, appraisals of any securities, Transaction or markets and does not contain, or purport to contain, complete information about any securities, Transaction or markets. No representation or warranty (express or implied) is made with regards to the information contained herein.

This Document does not constitute or form part of, and is not prepared or made in connection with, an offer or invitation to sell, or any solicitation of any offer to subscription for or purchase any securities. Information in this Document should not be considered as advice or a recommendation to investors or potential investors in relation to holding, purchasing or selling securities or other financial products or instruments.

Certain information in this Document is forward-looking in its nature. Such forward-looking information speak only as of the date of this Document. Such information is based on current expectations and beliefs and, by their nature, is subject to a number of known and unknown risks and uncertainties that could cause the actual results, performances and achievements to differ materially from any expected future results, performance or achievements expressed or implied by such forward-looking information. None of Translink or any of its directors, officers or employees provides any assurance that the assumptions underlying such forward-looking information are free from errors nor does any of them accept any responsibility for the future accuracy of the options expressed in this Document or the actual occurrence of the forecasted developments described herein.

None of Translink and its affiliates or any such person’s directors, officers, employees, advisors or representatives shall have any liability whatsoever arising directly or indirectly from the use of this Document. This Document speaks as of the date hereof, and Translink does not assume any responsibility to update the information set out herein.

This Document is subject to Finnish law and any dispute arising out of or in connection with this Document is subject to exclusive jurisdiction of Finnish courts with Helsinki as legal venue.



TRANSLINK

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

We get the deal done

Get in touch here

www.translinkcf.fi

www.linkedin.com/translink