

SOFTWARE BENCHMARK REPORT

Investors prioritise
substance over scale
amid global volatility

QUARTERLY OVERVIEW OF PUBLIC APPLICATION SOFTWARE SECTOR VALUATIONS

Welcome to the latest edition of the Silverpeak Benchmark report – a review of public software company valuation and operating metrics in the US and Europe.

We review median values to produce a robust industry reference benchmark. We screen US and European publicly listed software companies using the S&P Capital IQ database. Our insights and conclusions are derived from this S&P dataset, which consists of 571 companies.



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QoQ VALUATION HIGHLIGHTS

US	-12%	EV / REV
US VERTICAL	+19%	EV / EBITDA
NORDICS	-24%	EV / EBITDA
FINTECH	-17%	EV / EBITDA

Glossary and methodology on page 17

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Amid renewed tariff rhetoric and broader US policy uncertainty, investors are recalibrating their views of the US, as global trade dynamics shift. Growth forecasts continue to be tapered, yet investors are placing a premium on companies with clear unit economics. As volatility persists, the market continues to reward substance over scale.

CHRISTOPHER WHITE
MANAGING DIRECTOR, SILVERPEAK



KEY FINDINGS

- US economic uncertainty pressured tech indices, but profit-led US SaaS and US vertical categories saw EV/EBITDA rise 9% and 19% this quarter respectively
- Forecasts for annual revenue growth rates have been downgraded across all categories, with the US SaaS median revised down by 7% year on year
- Media saw the largest sector EV/Revenue contraction, down 18% across the quarter

Contents

1. Category valuation multiples	05
2. Valuation multiples by region	08
3. Operating metrics	11
4. Sector valuation multiples	13
5. Methodology	16



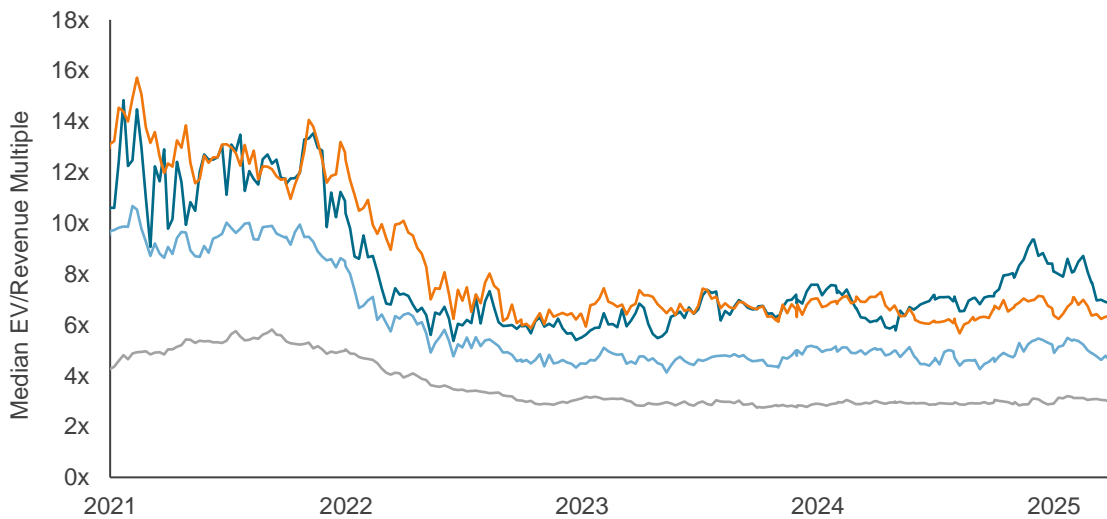
SECTION 1

Category valuation multiples

EV/Revenue multiples in the US fell sharply in March amid mounting economic uncertainty

On an EV/Revenue basis, both US vertical and US horizontal suffered double-digit declines this quarter. US SaaS rose modestly whilst European software valuations remained flat quarter on quarter (QoQ).

SOFTWARE CATEGORY VALUATION METRICS: MEDIAN EV / REVENUE MULTIPLES



US vertical	US SaaS	US horizontal	Europe
6.83x	6.51x	4.48x	2.89x
QoQ change			
-16% ▼	2% ▲	-10% ▼	0% ▬
YoY change			
11% ▲	-8% ▼	-12% ▼	-4% ▼

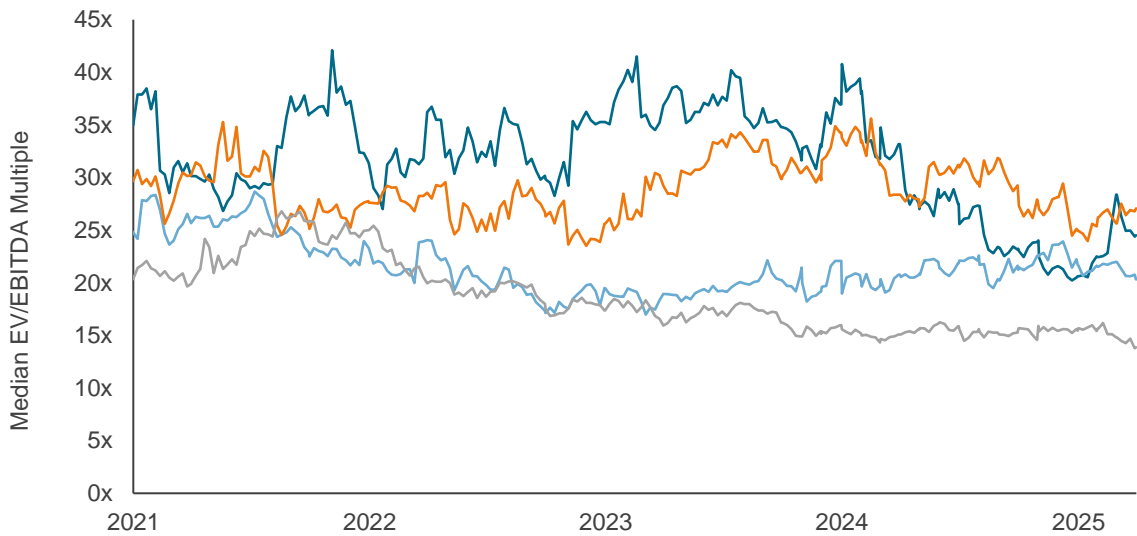
US vertical software saw the sharpest decline this quarter, with median EV/Revenue multiples falling 16% QoQ, reversing much of the rally observed in late 2024. ServiceTitan, a vertical software platform serving general contractors, saw its multiple decline 32% following a sharp post-IPO correction. The company's stock had surged 35% after listing in December, sparking hopes of a broader IPO market recovery.¹ However, those hopes have since faded amid renewed market volatility triggered, in part, by uncertainty around US economic policy. Several high profile anticipated listings, including Klarna and StubHub, have since been delayed.

US SaaS was the only category to post growth this quarter, rising 2% QoQ. However, this significant delta compared to the other US categories could be linked to several take private SaaS transactions. High profile take privates include Smartsheet's sale to Blackstone and Vista Equity Partners for \$8.4bn², and IBM's acquisition of HashiCorp for \$6.4bn³.

Source: [1] Business Insider, [2] Reuters, [3] IBM Newsroom

On an EV/EBITDA basis, the story is slightly different, with US vertical and US SaaS both recording strong QoQ gains, driven primarily by delivering profitability targets set for the calendar year. US horizontal declined 6%, while Europe dropped 10%. On a YoY basis, all categories posted declines, with US vertical recording the steepest drop at 26%.

SOFTWARE CATEGORY VALUATION METRICS: MEDIAN EV / EBITDA MULTIPLES

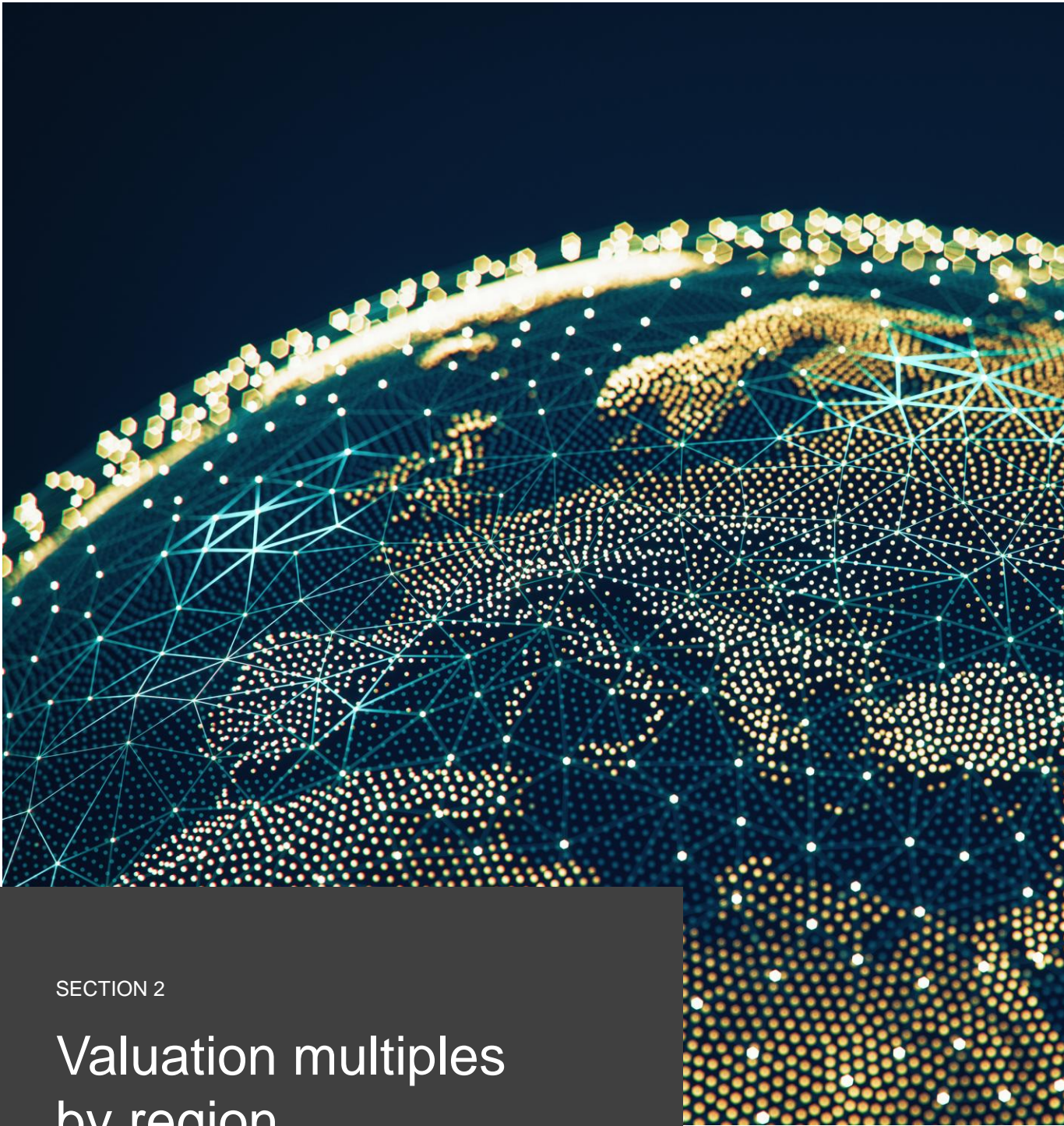


US vertical 24.50x	US SaaS 27.08x	US horizontal 20.33x	Europe 13.87x
QoQ change			
19% ▲	9% ▲	-6% ▼	-10% ▼
YoY change			
-26% ▼	-5% ▼	-2% ▼	-8% ▼

US vertical recorded the strongest improvement in EV/EBITDA multiples this quarter, rising 19% QoQ to 24.5x. A constituent of the category demonstrating this trend was SoundThinking, Inc, a public safety software provider, whose EBITDA multiple surged 155% following improving profitability signals. The company increased margin guidance to 23%, up from 14% in 2024.¹

US SaaS also posted a 9% QoQ increase in EV/EBITDA multiples. Paycom Software, a constituent of US SaaS and US Horizontal categories, rose 21% on this metric, supported by solid financial results and optimism around a strengthening US labour market. The US economy added 228,000 jobs in March, beating expectations and pointing to continued hiring momentum - a trend that supports demand for payroll and HR software solutions.²

Source: [1] Global Newswire, [2] U.S. Bureau of Labor Statistics



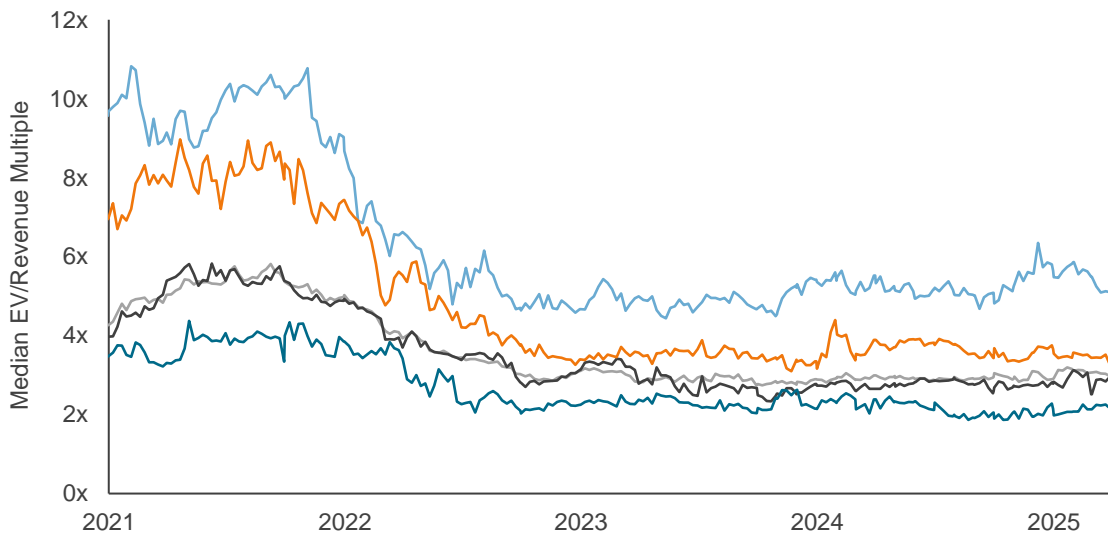
SECTION 2

Valuation multiples by region

UK EV/Revenue multiples hold steady as US and Europe continue to slide

Both the US and Nordics saw QoQ declines in EV/Revenue multiples this quarter. The UK was the only region to post an increase, up 3%, potentially supported by greater policy stability and improving investor sentiment. On a YoY basis, the decline in the Nordics was particularly pronounced, down 17%, as the region moves closer to the European median.

REGIONAL EUROPEAN & US VALUATION METRICS: MEDIAN EV / REVENUE MULTIPLES



US	Europe	UK	DACH	NORDICS
4.96x	2.89x	2.86x	2.08x	3.23x
QoQ change				
-12% ▼	0% —	3% ▲	-3% ▼	-12% ▼
YoY change				
-10% ▼	-4% ▼	8% ▲	-13% ▼	-17% ▼

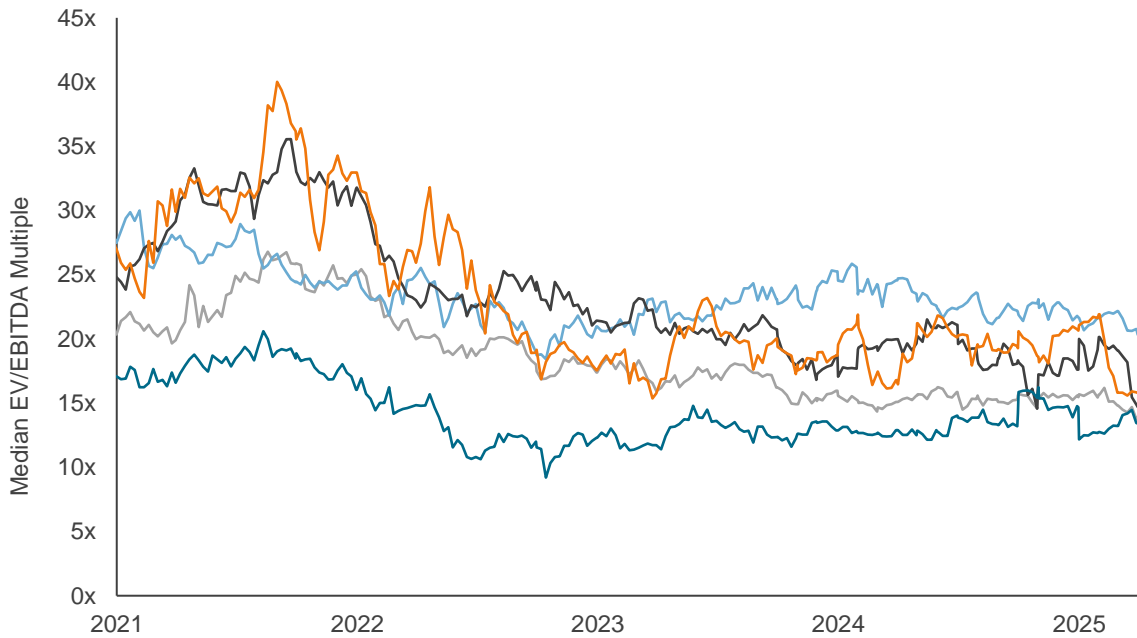
The US recorded the joint largest QoQ decline in EV/Revenue multiples, falling 12% to 5.0x. This follows a strong Q4 2024 and reflects a broad sell-off in US equities, driven by renewed uncertainty around the US economic agenda. Meanwhile, the Fed held rates steady in Q1 2025, signalling that cuts would be delayed until inflation showed more definitive progress.¹

The UK was the only region to post both positive QoQ and YoY growth. However, high-profile tech IPOs such as Revolut and Klarna are indicating a preference for US listings, citing greater liquidity.² This continues to put pressure on the UK’s ability to attract and retain high-growth tech companies.

Source: [1] CNBC [2] The Times

On EV/EBITDA, all regions showed declines QoQ. The Nordics experienced the largest QoQ drop, followed by the UK and DACH region, respectively. The US and Europe recorded smaller QoQ declines of 6% and 10%, respectively. On a YoY basis, DACH was the only region with growth, while others saw declines of up to 26%.

REGIONAL EUROPEAN & US VALUATION METRICS: MEDIAN EV / EBITDA MULTIPLES

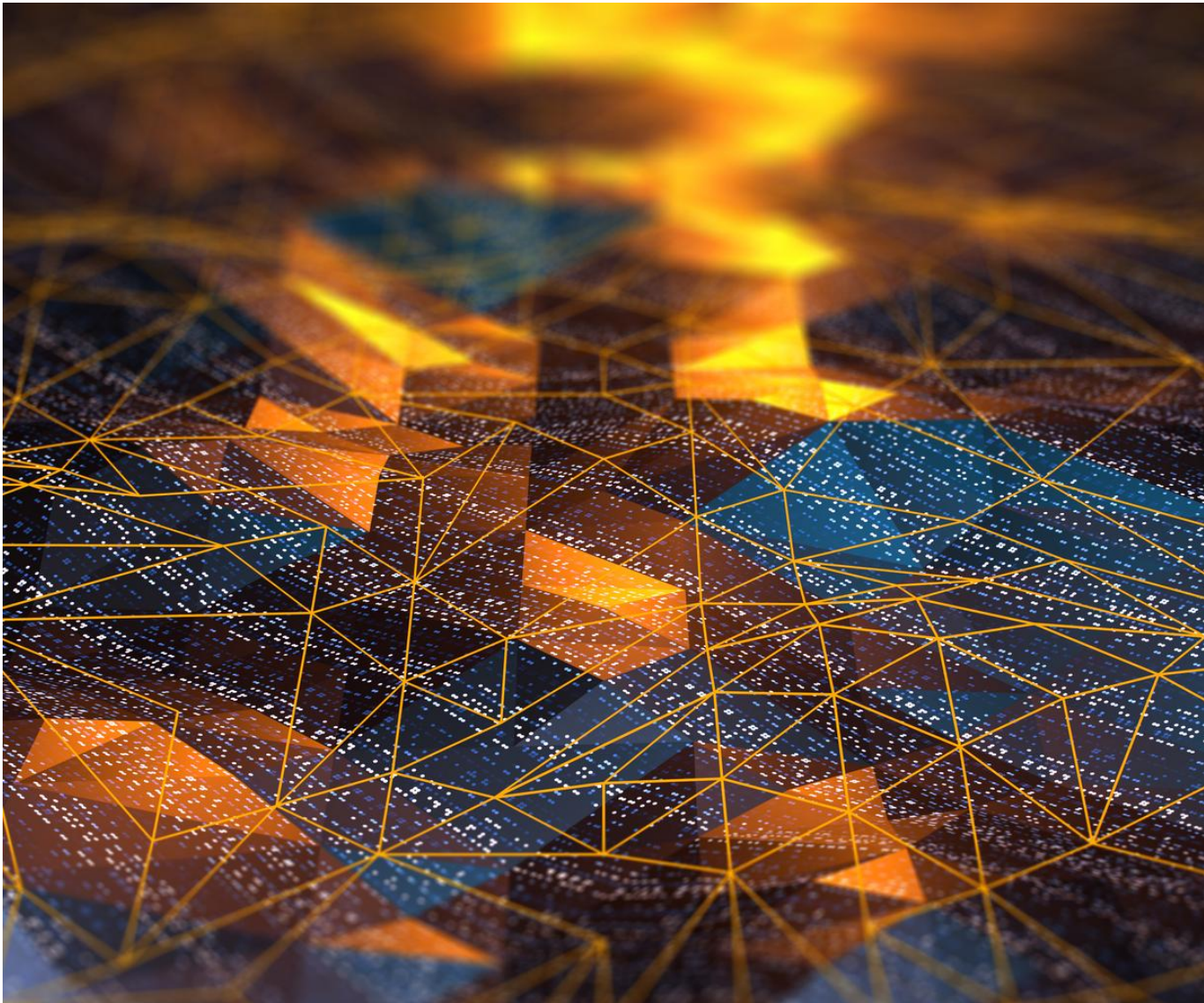


US	Europe	UK	DACH	NORDICS
20.33x	13.87x	14.69x	13.41x	15.78x
QoQ change				
-6%	-10%	-17%	-9%	-24%
YoY change				
-17%	-8%	-26%	4%	-6%

The Nordics recorded the largest QoQ decline in EV/EBITDA multiples, down 24% to 15.8x. Finnish platform LeadDesk was one of the notable decliners in the region. Despite beating Q4 revenue and EBITDA forecasts, the company’s ARR and overall growth declined by 3%, prompting analysts to revise their forward estimates downward.²

In the UK, the long-term downtrend in EV/EBITDA continued, with a 17% QoQ drop to 14.7x. Aptitude Software Group was a significant mover in this category, with its multiple falling 29%. The company reported a 2% increase in ARR, but total revenue declined 6% to £70 million in 2024, driven by a 26% reduction in non-recurring income.¹ Aptitude is an example of a software company transitioning to a partner-led delivery model, shifting implementation services to third parties such as Microsoft, Deloitte, and EY in a bid to improve gross margins over the medium term.

Source: [1] London Stock Exchange [2] LeadDesk

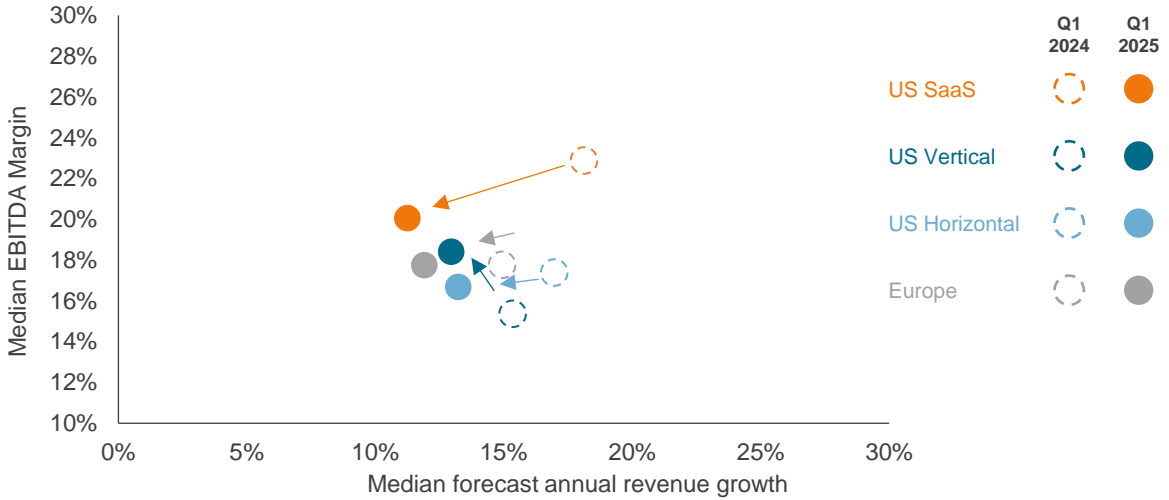


SECTION 3

Operating metrics

Growth forecasts continue to decline across the board

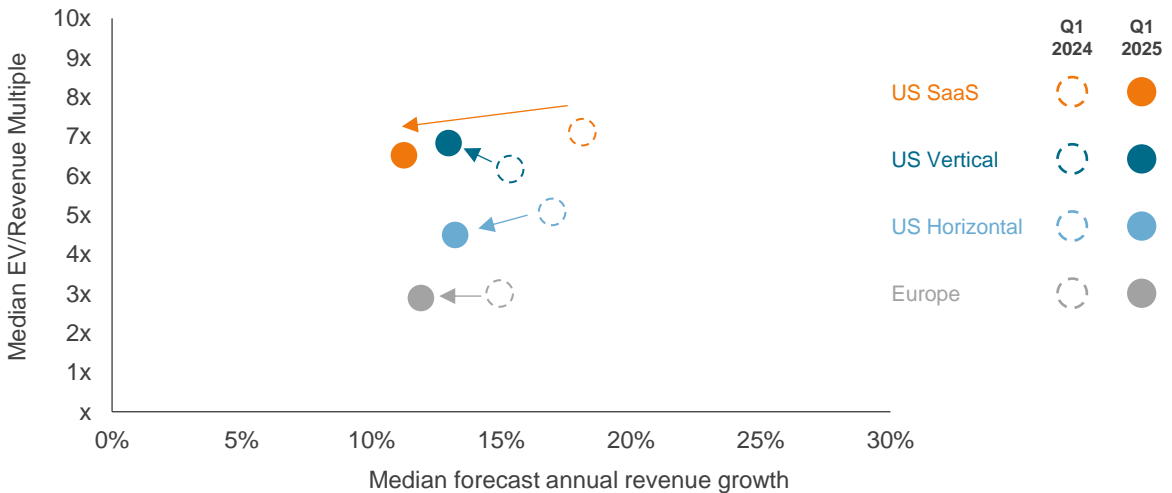
SOFTWARE CATEGORY OPERATING METRICS: EBITDA MARGIN vs REV GROWTH (F)



Forecast annual revenue growth rates have been revised down across all categories with the greatest being a 7% decline in the median for our US SaaS category.

The median EBITDA margin rose only for US Vertical, up 3%, whilst US horizontal and US SaaS saw declines of 1% and 3%, respectively. Europe remained flat QoQ.

SOFTWARE CATEGORY OPERATING METRICS: EV / REV vs REV GROWTH (F)



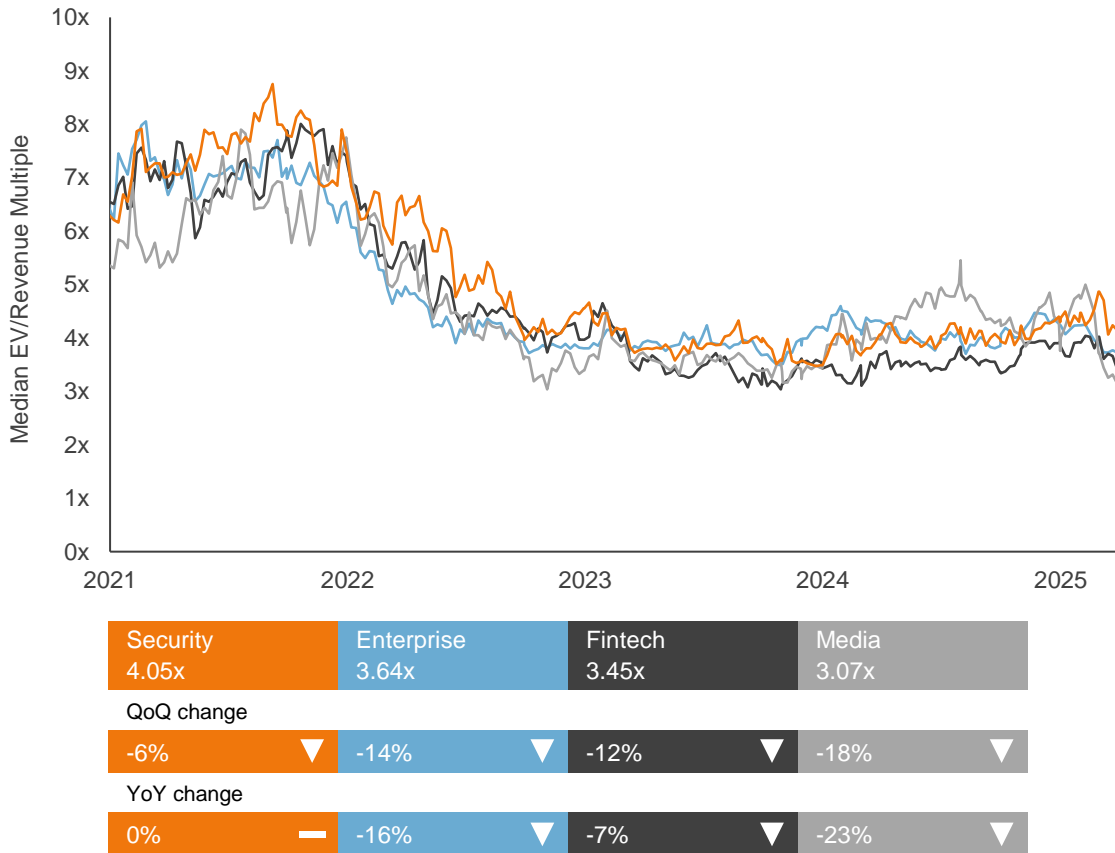


SECTION 4

Sector valuation multiples

EV/Revenue multiples declined across all sectors, as macroeconomic uncertainty proved non-discriminative

SOFTWARE SECTOR VALUATION METRICS: MEDIAN EV / REVENUE MULTIPLES



Across our sectors, media software recorded the most significant decline, with an 18% drop in EV/Revenue multiples QoQ and a 23% decline YoY. In our dataset, PubMatic, a programmatic adtech company, saw its revenue multiple fall 42%. In Q4 2024, PubMatic reported revenue of \$85.5 million — missing analyst expectations and issued softer Q1 2025 guidance, projecting revenue well below consensus.¹ The broader martech and adtech space continues to face headwinds from weaker marketing budgets and rising customer acquisition costs.²

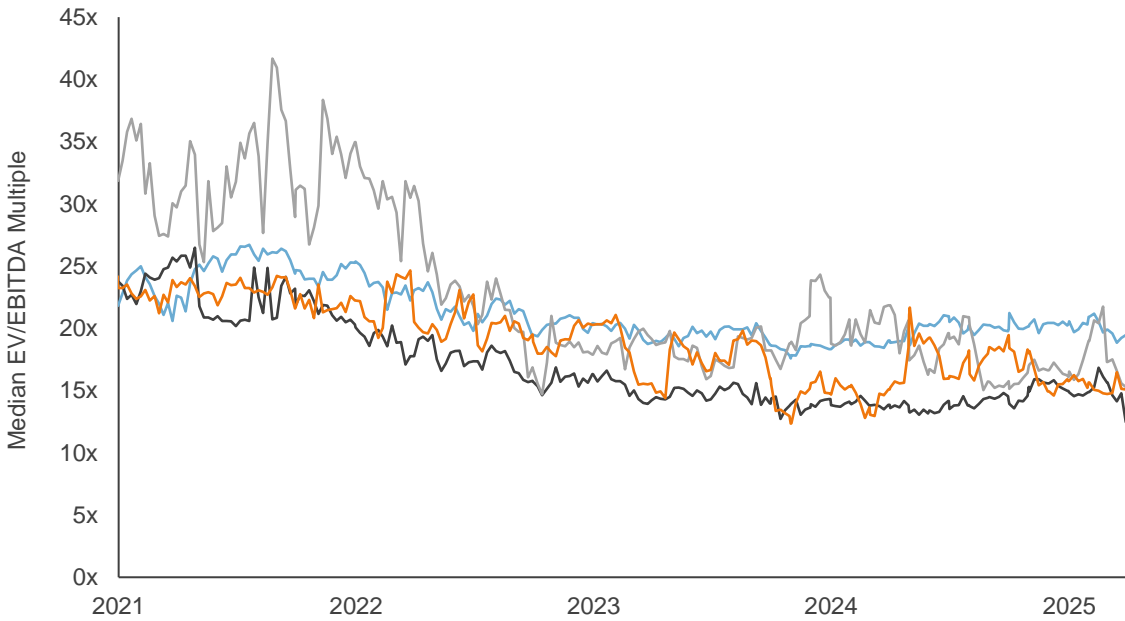
Enterprise software valuations fell 14% QoQ, reversing the gains seen in Q4 2024. This trend was demonstrated by weaker earnings guidance from large-cap names such as ServiceNow, which forecast Q1 subscription revenue below analyst expectations. It has also faced criticism from the Department of Government Efficiency (DOGE) regarding the underutilisation of its software licenses within federal agencies.³ A dynamic expected to weigh on the share price of large enterprise software vendors with US government contracts.

Source: [1] Nasdaq [2] Gartner [3] Department of Government Efficiency

On EV/EBITDA, Fintech suffered the largest decline this quarter, down 17% and 10% YoY. In this category, Nasdaq listed digital banking provider Paysign Inc.'s share price is down 26% YTD, which could have been driven by a 40% decline in net income.^{1,2}

Security was the only sector to post positive YoY growth, perhaps underlining its strategic importance even in tighter spending environments.

SOFTWARE SECTOR VALUATION METRICS: MEDIAN EV / EBITDA MULTIPLES



Security	Enterprise	Fintech	Media
15.22x	19.02x	12.43x	15.33x
QoQ change			
-3% ▼	-6% ▼	-17% ▼	-5% ▼
YoY change			
1% ▲	0% —	-10% ▼	-30% ▼

Source: [1] Nasdaq, [2] Business Wire



SECTION 5

Methodology

Methodology

US and European publicly listed software companies are screened using the S&P Capital IQ database. The dataset is reviewed and updated on a quarterly basis to include newly listed and de-listed companies and to ensure that existing companies remain pertinent to the report. A variety of financial indicators are tracked on a weekly basis including EV/Revenue and EV/EBITDA multiples, forecast annual revenue growth, gross margin, EBITDA margin and others. Companies with Enterprise Values (EV) of less than \$10m were excluded from the sample and multiples outside the 1x-100x range were disregarded from median calculations.

Private company performance cannot be directly compared against public valuation metrics.

Company classification

BY CATEGORY

To allow comparison, we group companies covered in the report into one of four categories.

(In brackets, the number of public companies contributing to each dataset as at 31/03/2025)

Europe (178)

European (including UK, DACH and Nordics) headquartered, publicly quoted software companies.

US SaaS (67)

US-headquartered, operating a Software as a Service (SaaS) model, with a gross margin of 75%+

US vertical (44)

US-headquartered, with a strong focus on one (or a small number of) vertical market(s).

US horizontal (163)

US-headquartered, selling solutions across a wide range of vertical markets.

BY SECTOR

We also classify companies according to common sectors.

(In brackets, the number of public companies contributing to each dataset as at 31/03/2025)

Enterprise Software (165)

Software designed to improve enterprise operations, including HR, CRM, and supply chain management solutions.

Fintech (57)

Software technologies that facilitate payments and financial services, such as insurtech, blockchain, mobile wallets.

Media (35)

Software for digital marketing, content management, advertising, and customer engagement, including martech, adtech, and media distribution platforms.

Security (49)








Companies that provide software solutions for data, applications, and IT environment, such as cybersecurity.

About Silverpeak

Silverpeak is a mid-market technology specialist representing European growth businesses in M&A and financing transactions. Our high energy team of technology enthusiasts has experience of over 300 completed deals between them.

We have deep business and product understanding, which we use to focus on discovering the full, and often hidden, strategic value in a company. We then articulate this value to the right buyers and investors wherever they are.

Recently completed mandates

<p>US US Apr 2025</p>  <p>Satellite silicon solar cell technology</p> <p>\$21m financing</p> <p>US NAT SEC INVESTORS</p>	<p>UK UK Apr 2025</p>  <p>Global leader in digital signage software</p> <p>Sale to</p> 	<p>UK JP Mar 2025</p>  <p>Digital additive manufacturing and alloy development platform</p> <p>\$47m Series B financing</p> 
<p>IT UK DE ROW Mar 2025</p>  <p>Graphene-based photonic technology</p> <p>€25m Series A financing</p> 	<p>CH US Feb 2025</p>  <p>Photonically networked silicon spin quantum computers</p> <p>Sale to</p> 	<p>AUT AUT Oct 2024</p>  <p>Quartz, silicon, and ceramic for semiconductors</p> <p>Sale to</p> 

We go further to understand a company's full value

There is often hidden value in a company's technology, growth potential, management team and its vision.

We unlock all this potential value and articulate it to the acquirers or investors who prize it most.

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Silverpeak provided valuable guidance throughout the process, combining sector knowledge with transaction expertise to secure attractive terms. Silverpeak's expertise in growth-stage technology businesses was evident throughout, resulting in a transaction that aligned well with our strategic objectives.

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