

Aventis Advisors

Did TACO Trade Play Out in SaaS Valuations?

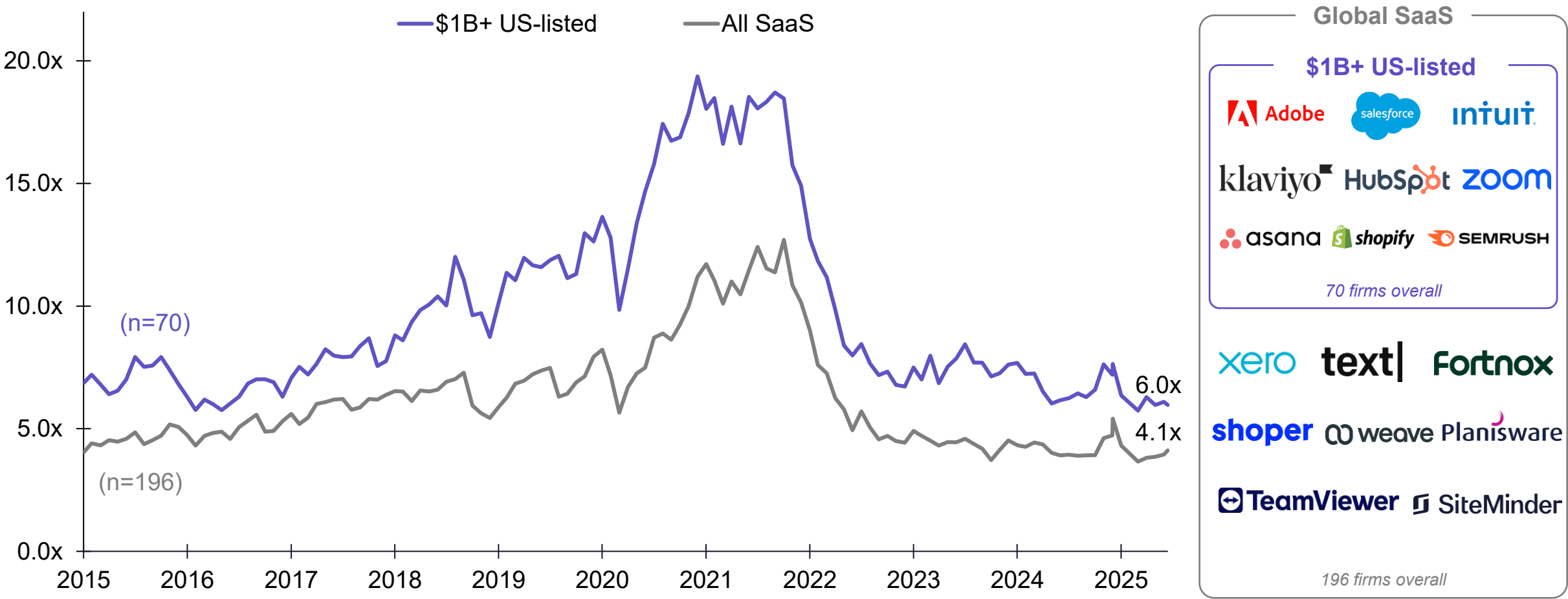
H1 2025 Recap

Webinar material

SaaS valuation multiples (1/2)

The valuation multiples of both the largest US-listed SaaS companies and the broader SaaS sector have been in a downtrend...

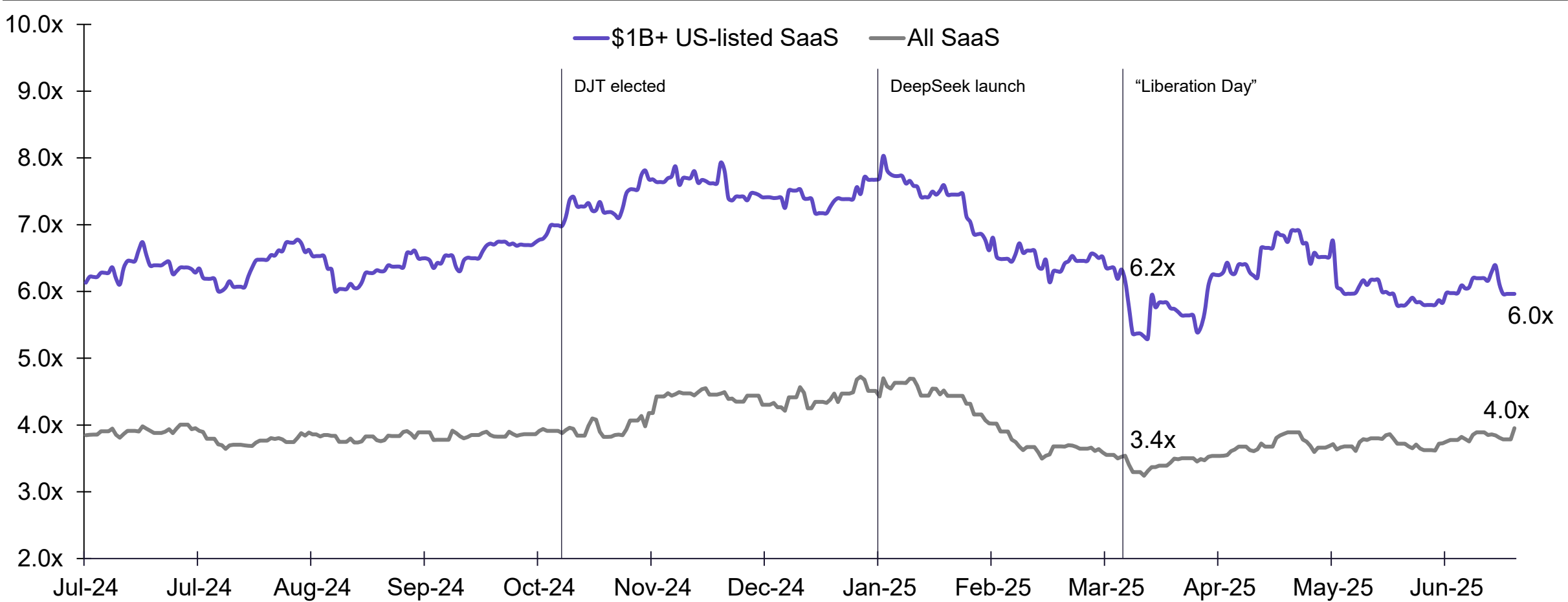
Publicly listed and private market SaaS valuations, EV/Revenue multiple, monthly, 2015-2025



Last 12 months in SaaS

Multiples fluctuated throughout the past 12 months, but we are ending up roughly where we were a year ago

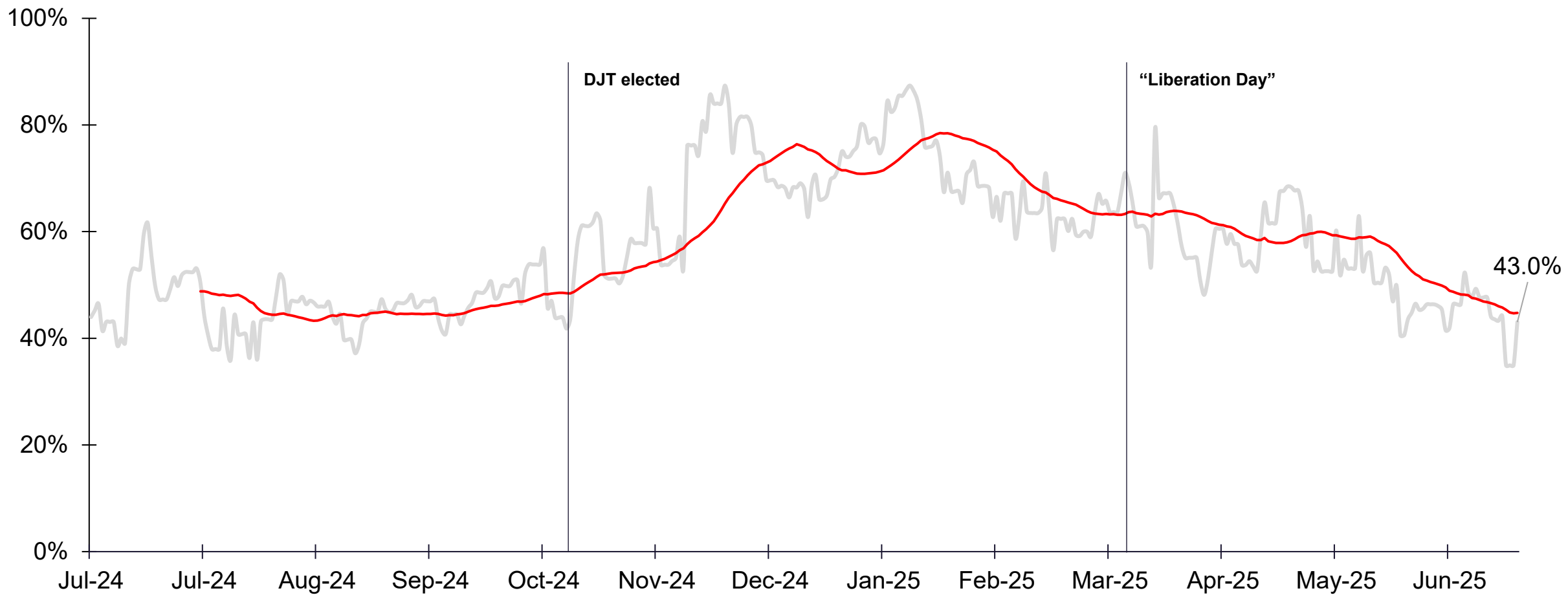
Median EV/Revenue multiple, LTM, daily



In Focus: US SaaS vs Non-US SaaS

US SaaS firms multiples expanded rapidly following the US election, but are now squarely back to the pre-election levels

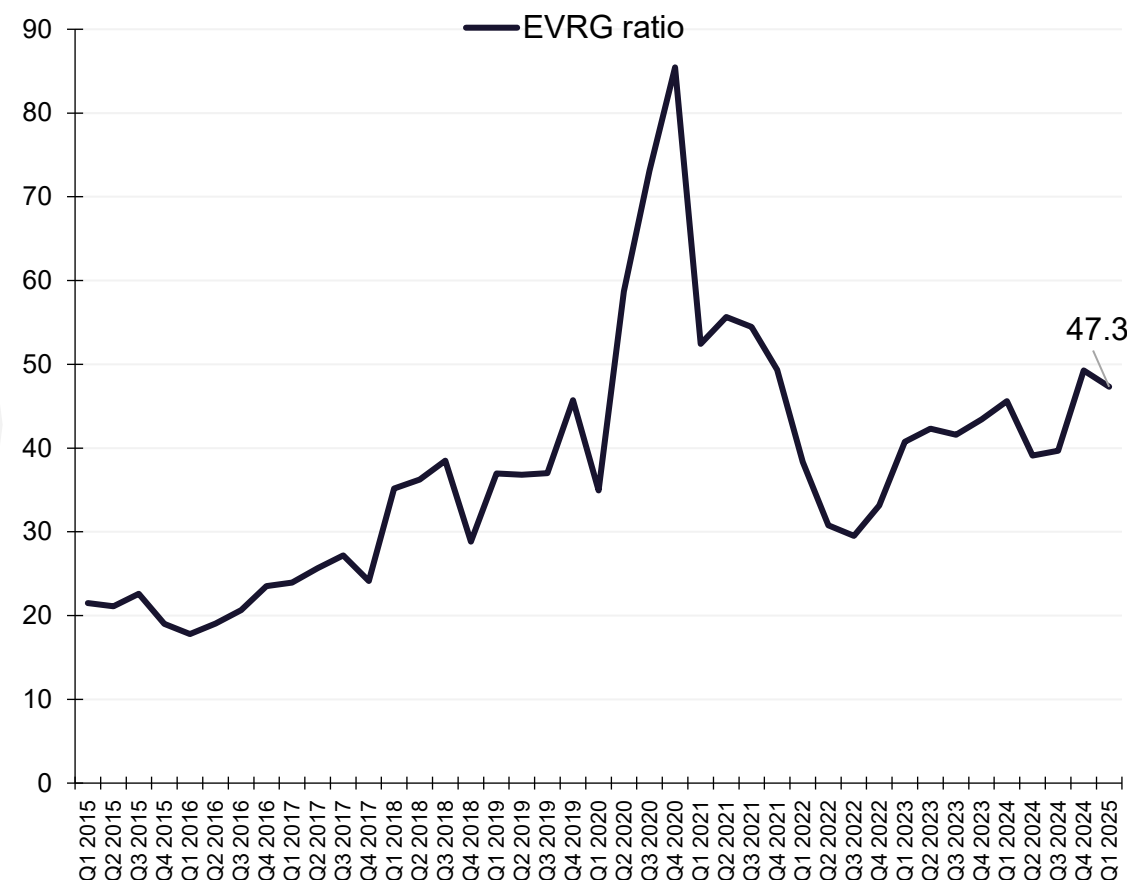
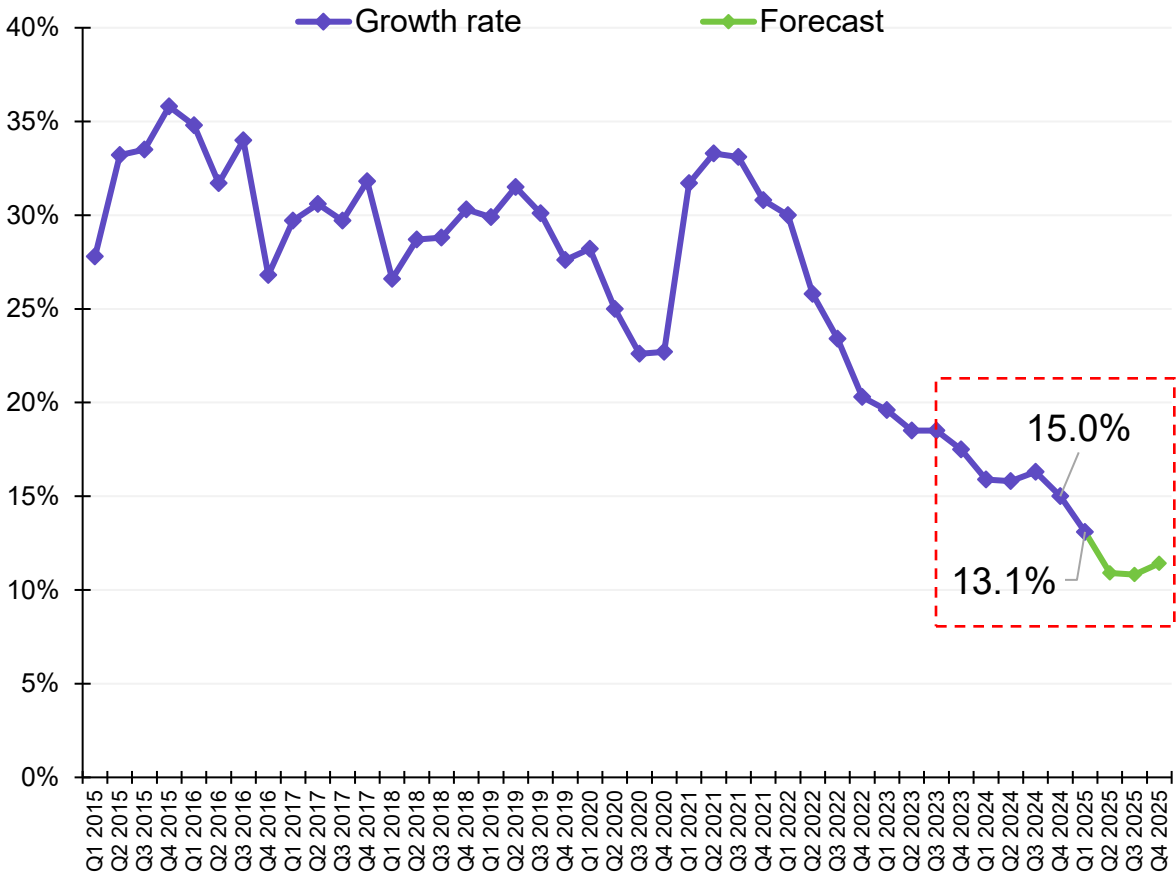
US SaaS valuation premium, LTM, daily



In Focus: SaaS growth rates

A continued decline of SaaS growth rate in Q1 2025, driven by lower new adds; still rather expensive on EVRG basis

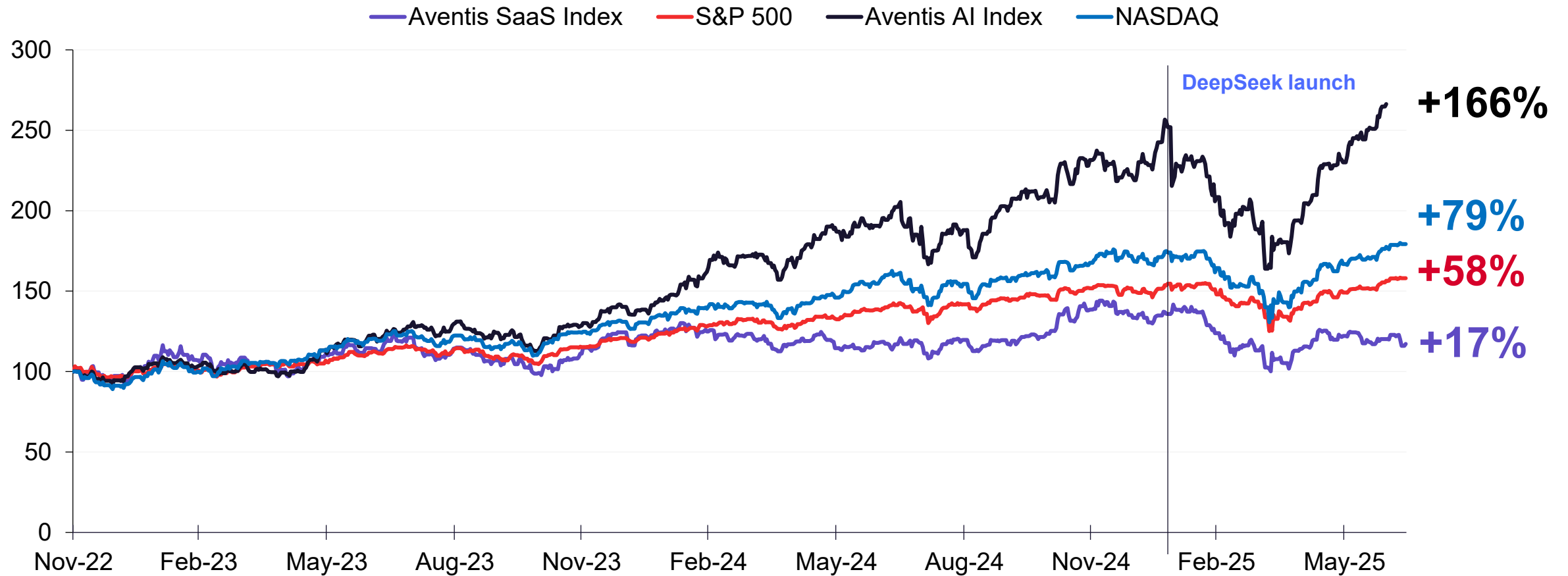
Median YoY quarterly revenue growth, %



In Focus: SaaS vs AI

Following ChatGPT release, SaaS companies have been underperforming all major indices, as well as AI beneficiaries

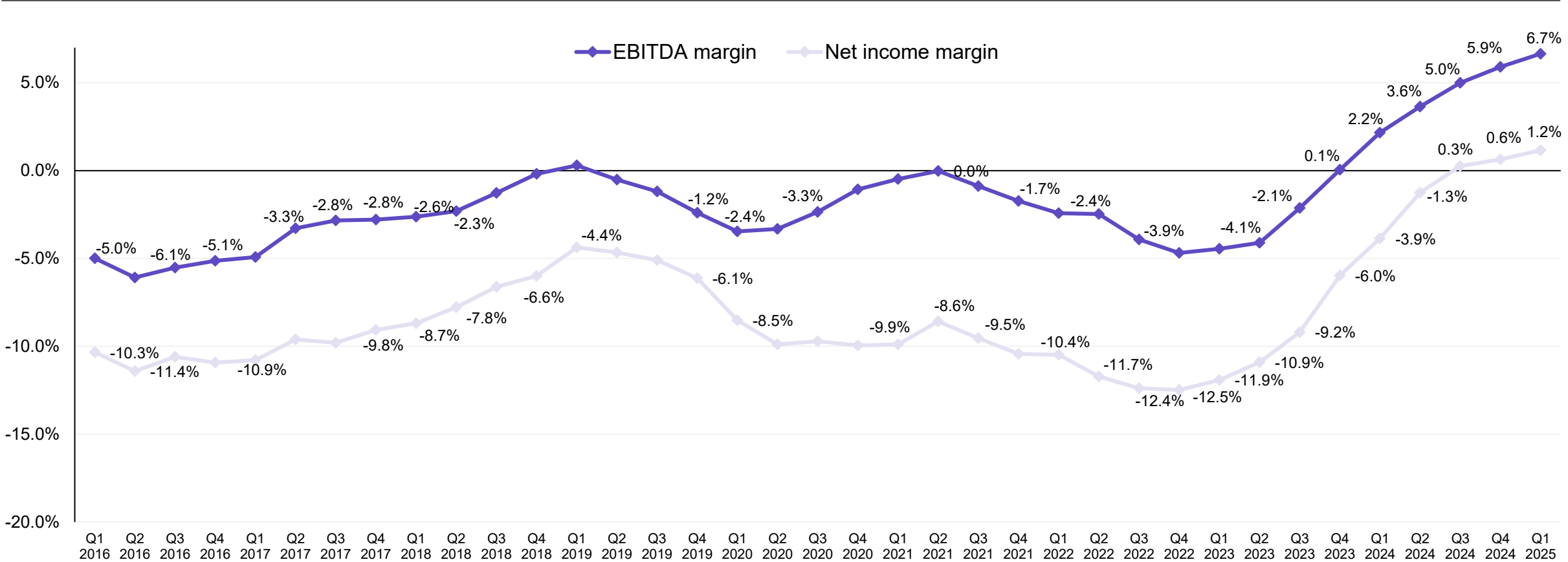
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In Focus: SaaS profitability

Profitability margins of SaaS companies have moved towards positive territory, but the improvement trajectory is slowing down

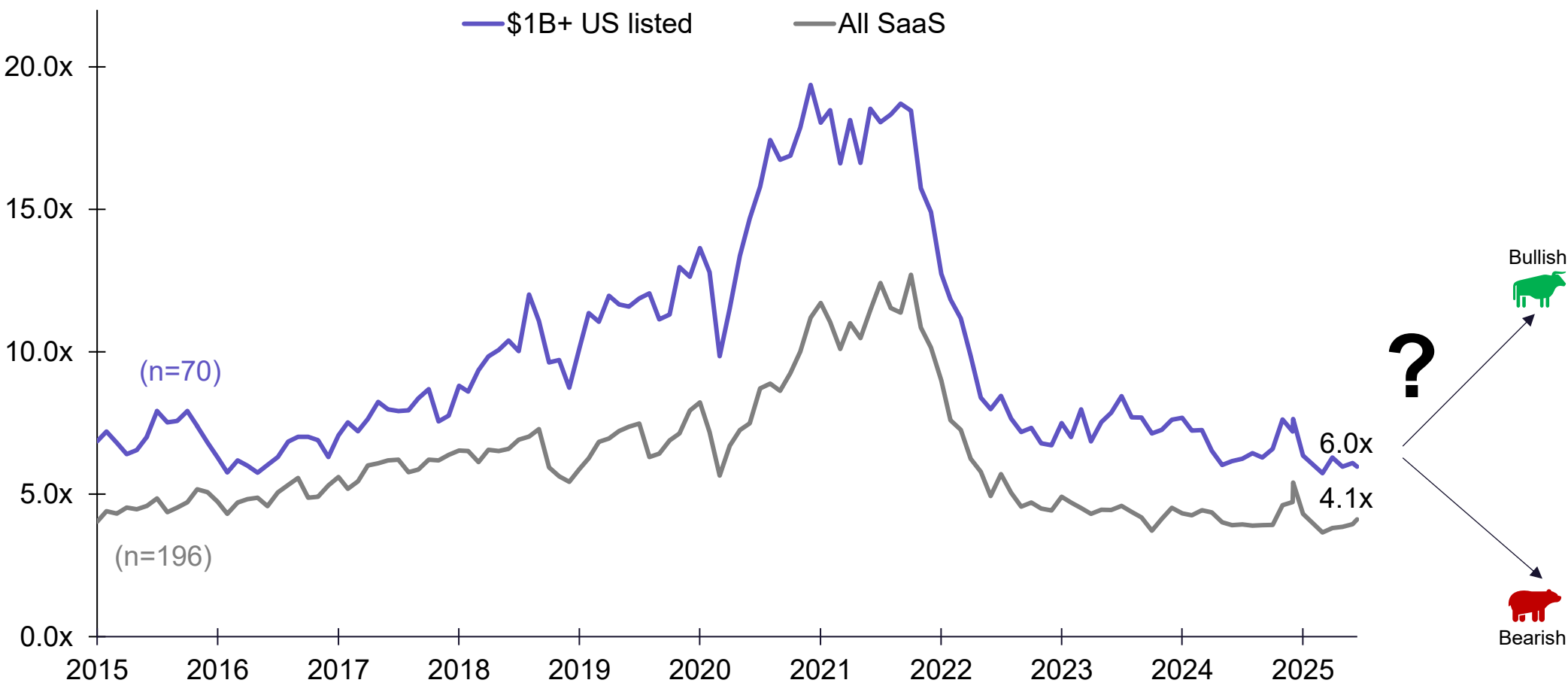
4 quarters rolling average margin, %



SaaS valuation multiples (2/2)

...but where do we go from here

Publicly listed and private market SaaS valuations, EV/Revenue multiple, monthly, 2015-2025



Note: The last EV/Revenue multiple data for private M&A deals is from 2024

H2 2025 outlook

SaaS companies face slowing growth, rising uncertainty, and growing investor preference for AI over traditional software

Factor	Impact on SaaS businesses and valuations
Uncertainty continues	<ul style="list-style-type: none">• A new round of tariff and economic uncertainty is affecting the market sentiment• SaaS companies with international customers could benefit from a weaker dollar
Growth decelerates	<ul style="list-style-type: none">• A significant drop in the revenue growth rate for SaaS companies, driven by low new customer acquisition• The revenue multiple valuation becomes more difficult with low-growth environment
Shift to AI	<ul style="list-style-type: none">• Investors seem to be shifting their focus towards AI companies, as SaaS companies underperform• Corporate buyers seem to also shift spending to AI, as Q1 2025 has the lowest revenue growth for SaaS firms

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