

SaaS Valuation Multiples: 2015-2026

Q1 2026 update

Table of Contents

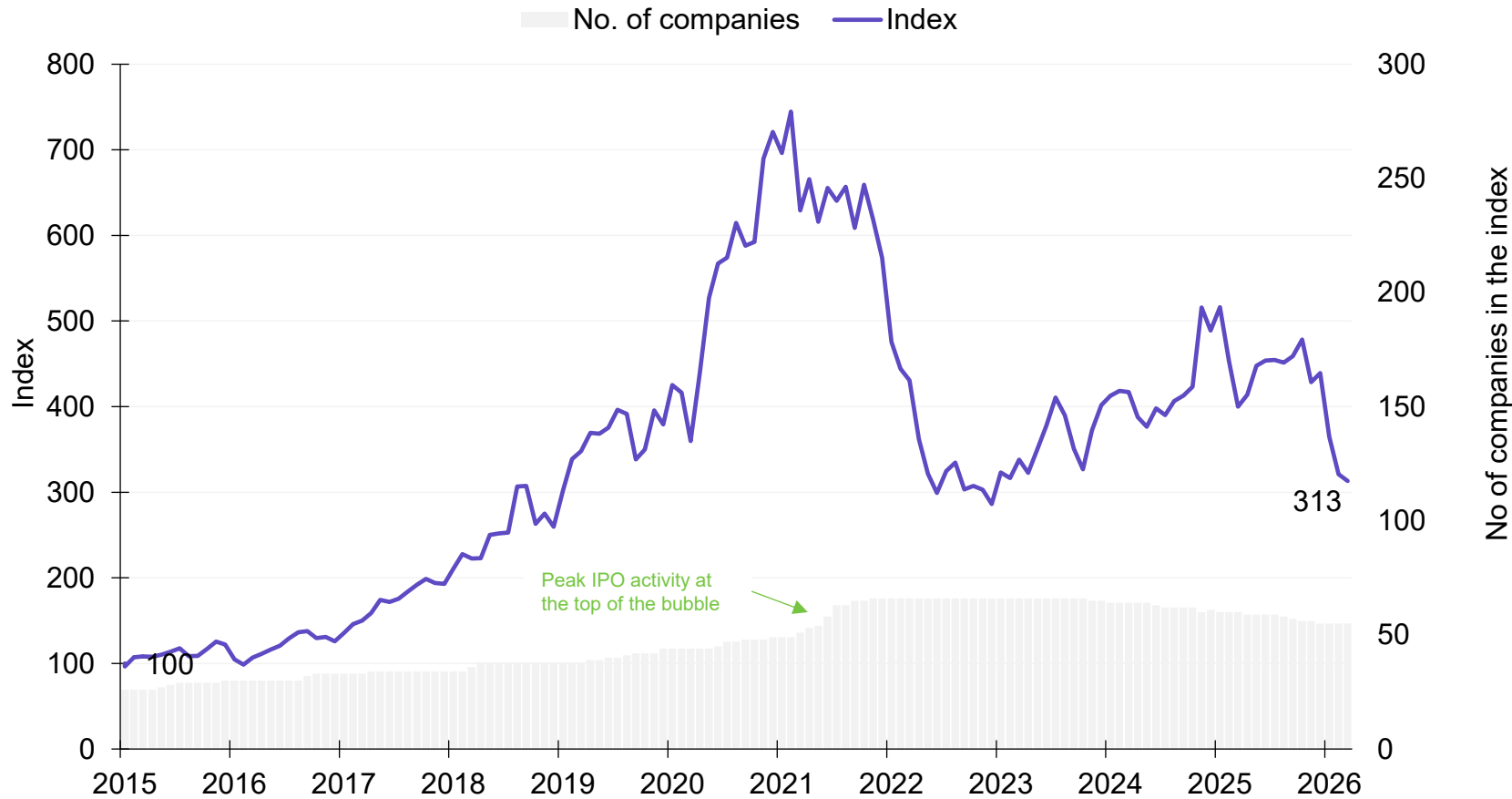
1. SaaS valuations: Listed companies
2. SaaS valuations: M&A transactions



SaaS Valuations: Aventis SaaS Index

The Aventis SaaS Index recorded a sharp decline in early 2026, driven by intensifying fears of AI-led disruption across the SaaS landscape

SaaS Index, 01.01.2015=100



Comment

- Index of SaaS companies has been slowly growing in the 2015-2020 period driven by the expanding valuation multiples, as well as by rapid growth of the companies
- After the unprecedented monetary and fiscal stimulus and COVID digitalization tailwinds, the index jumped to over 700 points by early 2021
- After the investor sentiment changed, interest rates grew and profitability came back to focus, investors rushed to sell SaaS companies, especially the ones with no profits

Q1 2026 update

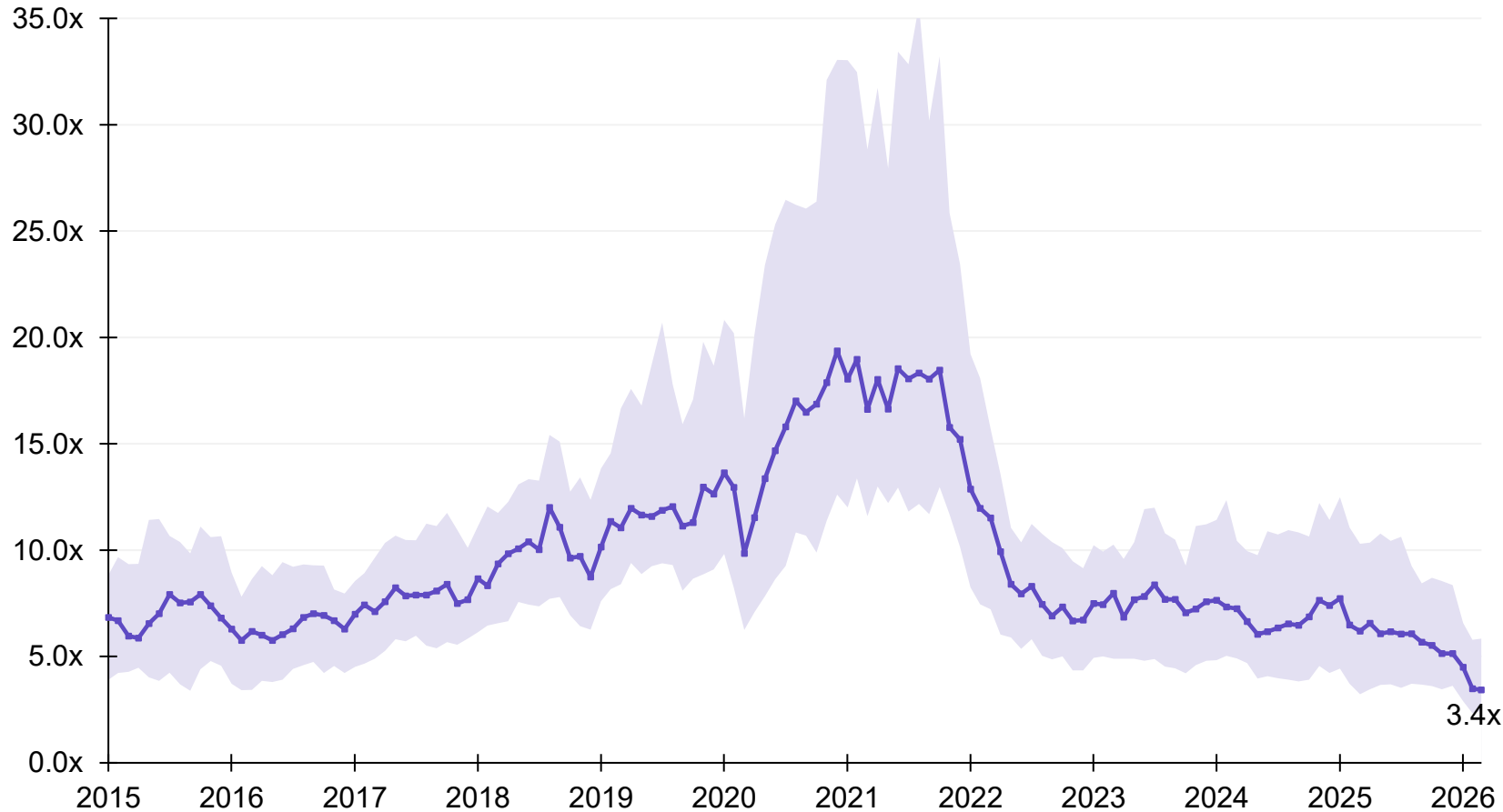
- As of Q1 2026, the Aventis SaaS Index has declined by approximately 14% year-to-date, reflecting broad-based investor concerns over AI disruption to traditional SaaS business model
- The index closed Q1 2026 at 313 points, down from 364 points at the start of the year

Note: equal-weight index; 01.01.2015=100; IPO date=100 for companies that went public after 01.01.2015

SaaS Valuations: EV/Revenue multiple

EV/Revenue valuation multiples for listed SaaS businesses have contracted sharply in early 2026, continuing the down trend from the 2021 peak

Median EV/Revenue multiple, 2015-2026



Comment

- Revenue multiples have been growing slowly between 2015-2019, reaching a median of 13.6x before the COVID drop
- Market drop in March 2020 was short lived, with the multiples quickly recovering
- Many SaaS companies went public during the peak of the valuations, with the 25% highest valued companies trading at above 30x Revenue
- The highest multiple recorded in our sample was Asana, closing at 89.0x LTM Revenue in November 2021

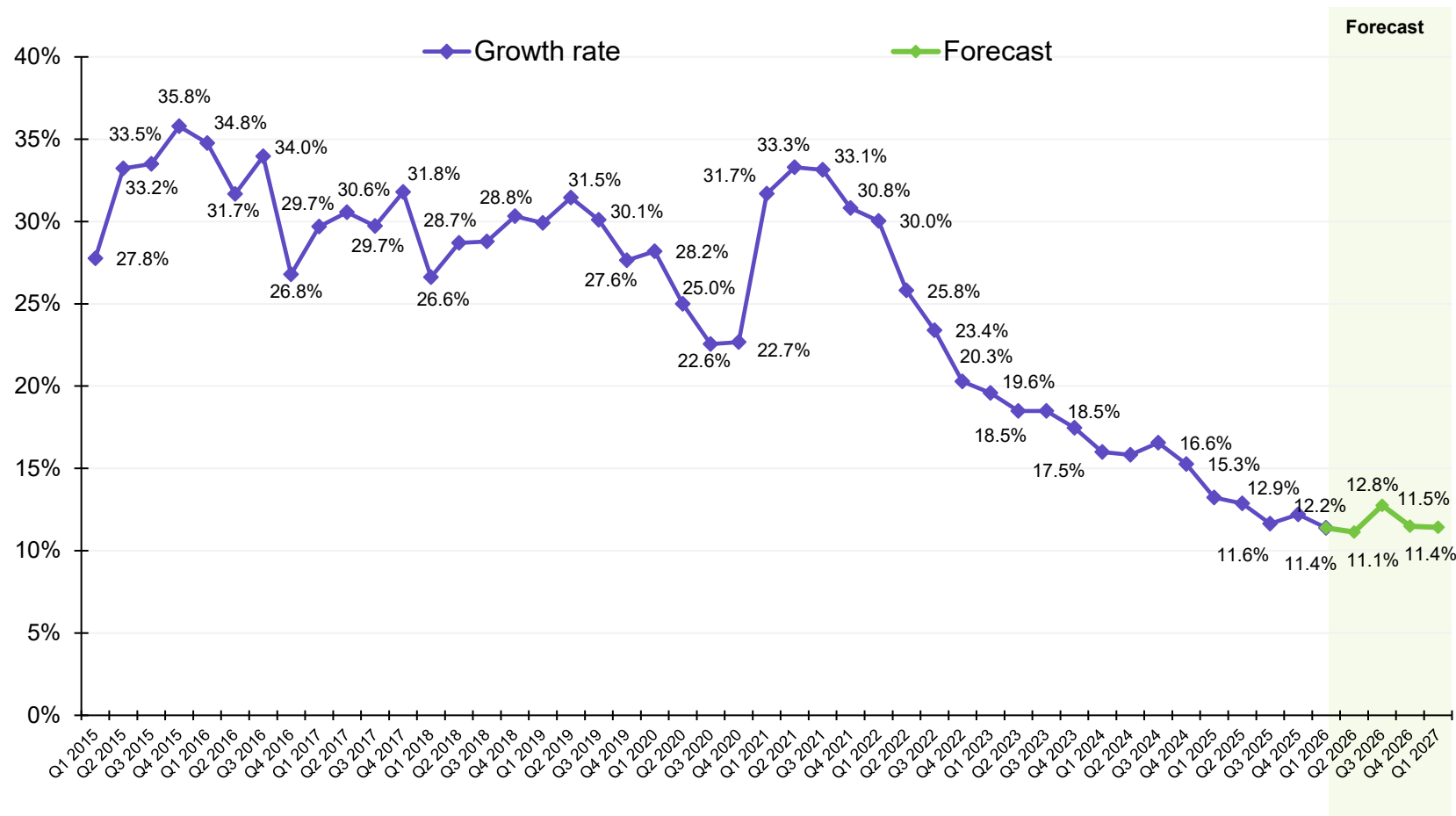
Q1 2026 update

- At the close of Q1 2026, the median EV/Revenue multiple across the Aventis SaaS Index stood at 3.4x, a decline of 1.7x versus Q4 2024, and the lowest level recorded in our dataset since 2015. The sharp compression reflects the market's reassessment of SaaS growth durability in an AI-first software environment

Deep-dive: SaaS growth rates

SaaS revenue growth rates have continued to decelerate, with the median stabilizing in the 8 -10% range as of Q4 2025, reflecting a structural slowdown as companies reach scale and AI-driven models absorb incremental demand

Median YoY quarterly revenue growth, %



Comment

- SaaS growth rates have been slowly decelerating over the past ten years as many companies reached scale
- By Q3 2020, the median growth rate of SaaS business declined to 23% YoY
- Pandemic provided a temporary relief, pulling forward the demand for software and accelerating the growth by 11pp
- After peaking in Q2 2021, the growth rates are slowly returning to the long-term trendline and may even overshoot to the downside in case of a major recession

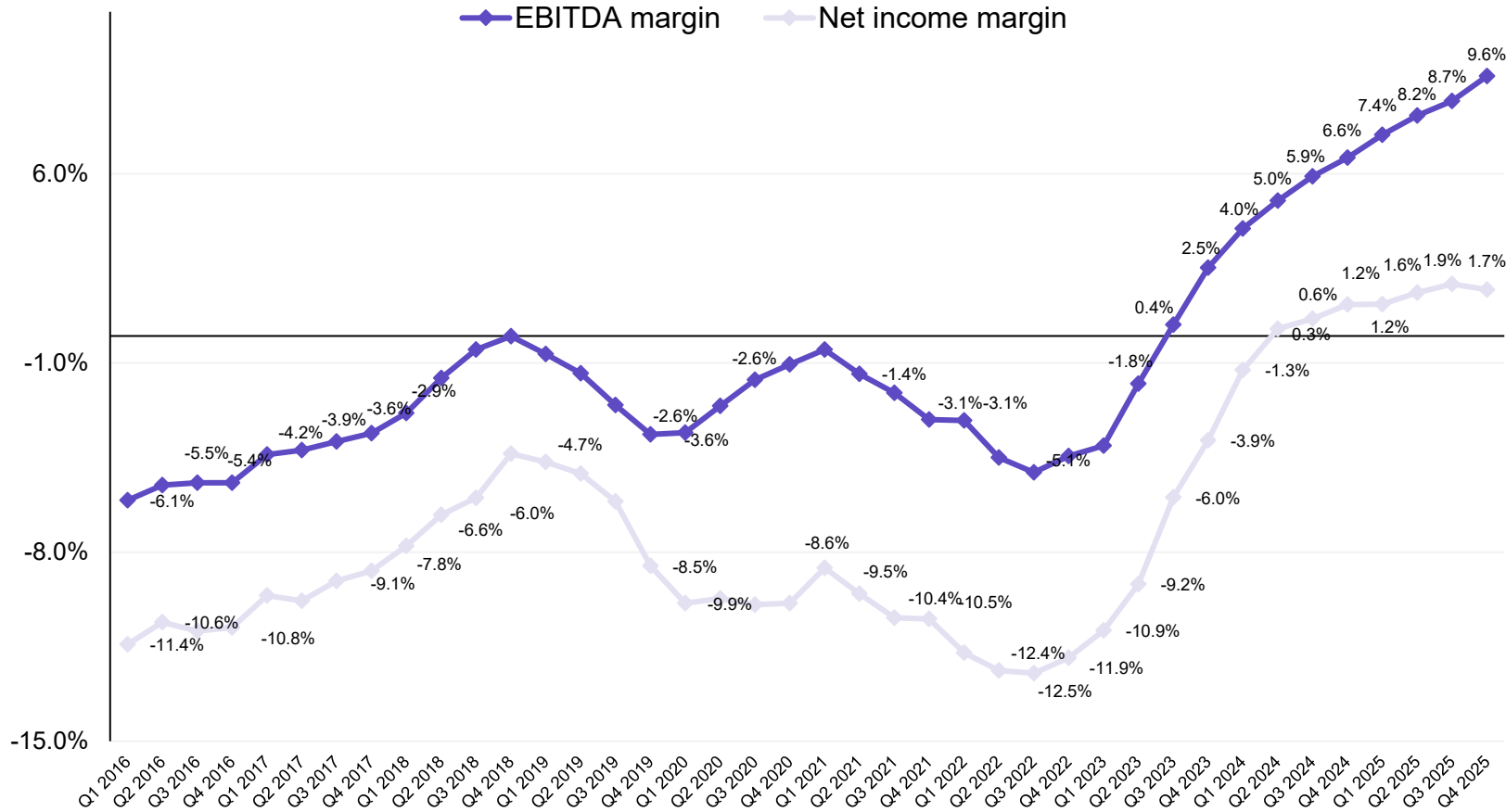
Q1 2026 update

- As of Q1 2026, the most recent available fundamental data (Q4 2025) shows the median YoY revenue growth rate has declined to 8.3%, down from approximately 14% in early 2024. Growth deceleration is broad-based, driven by market saturation, longer sales cycles, and the displacement of incremental software spend towards AI-native solutions

Deep-dive: SaaS profitability

After large-scale restructuring programs and a sustained focus on operational efficiency, SaaS profitability has reached its strongest levels in a decade, though the pace of improvement is now slowing, signaling that future margin gains will require revenue growth rather than further cost reduction

4 quarters rolling average margin, %



Comment

- Over the 2015-2022 period, a median SaaS company lost money on both Net Income and EBITDA margin basis
- Following the margin increase in 2016-2019, SaaS margins deteriorated again as the companies invested in growth aggressively
- The efficiency focus from 2022–2023 drove a sustained recovery in margins, bringing both EBITDA and Net Income to positive territory for the first time in nearly a decade

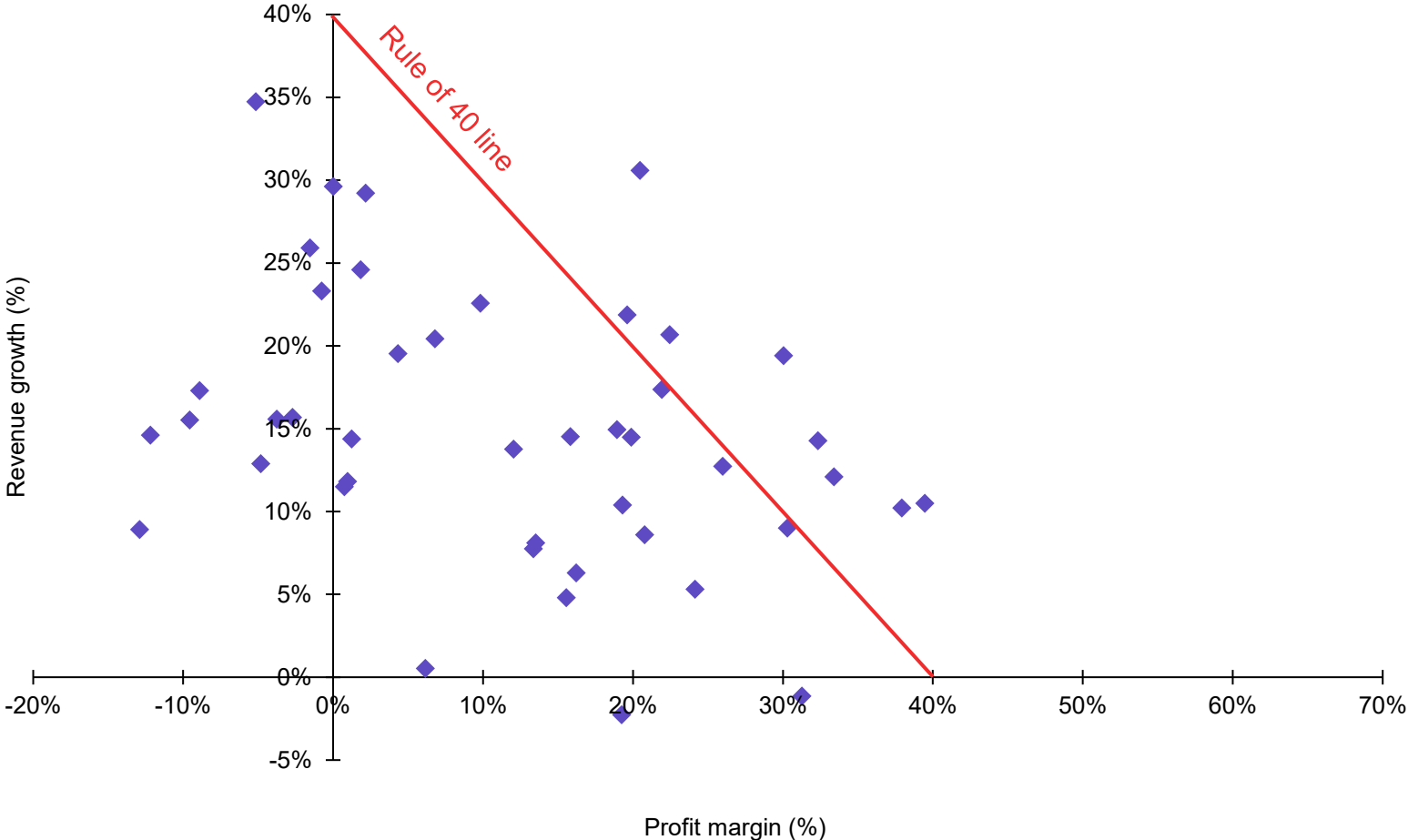
Q1 2026 update

- As of Q1 2026, based on Q4 2025 reported financials, the median EBITDA margin on a 4-quarter rolling average reached 8.1%, the highest level since 2015. The median Net Income margin improved to 2.9%, also a decade-high. However, the pace of margin expansion is decelerating, indicating that the cost-cutting cycle is largely exhausted and future profitability improvements will be contingent on revenue re-acceleration

Deep-dive: Rule of 40

The majority of SaaS companies continue to fall below the Rule of 40 threshold as of Q1 2026

Profit margin vs. Revenue growth, % As of Q1 2026



Comments

- Among 51 companies in our Q4 2025 sample, only 10, which is approximately 20%, exceeded the Rule of 40 threshold
- Rule of 40 implies a one-to-one tradeoff between a percentage point of revenue growth and margin

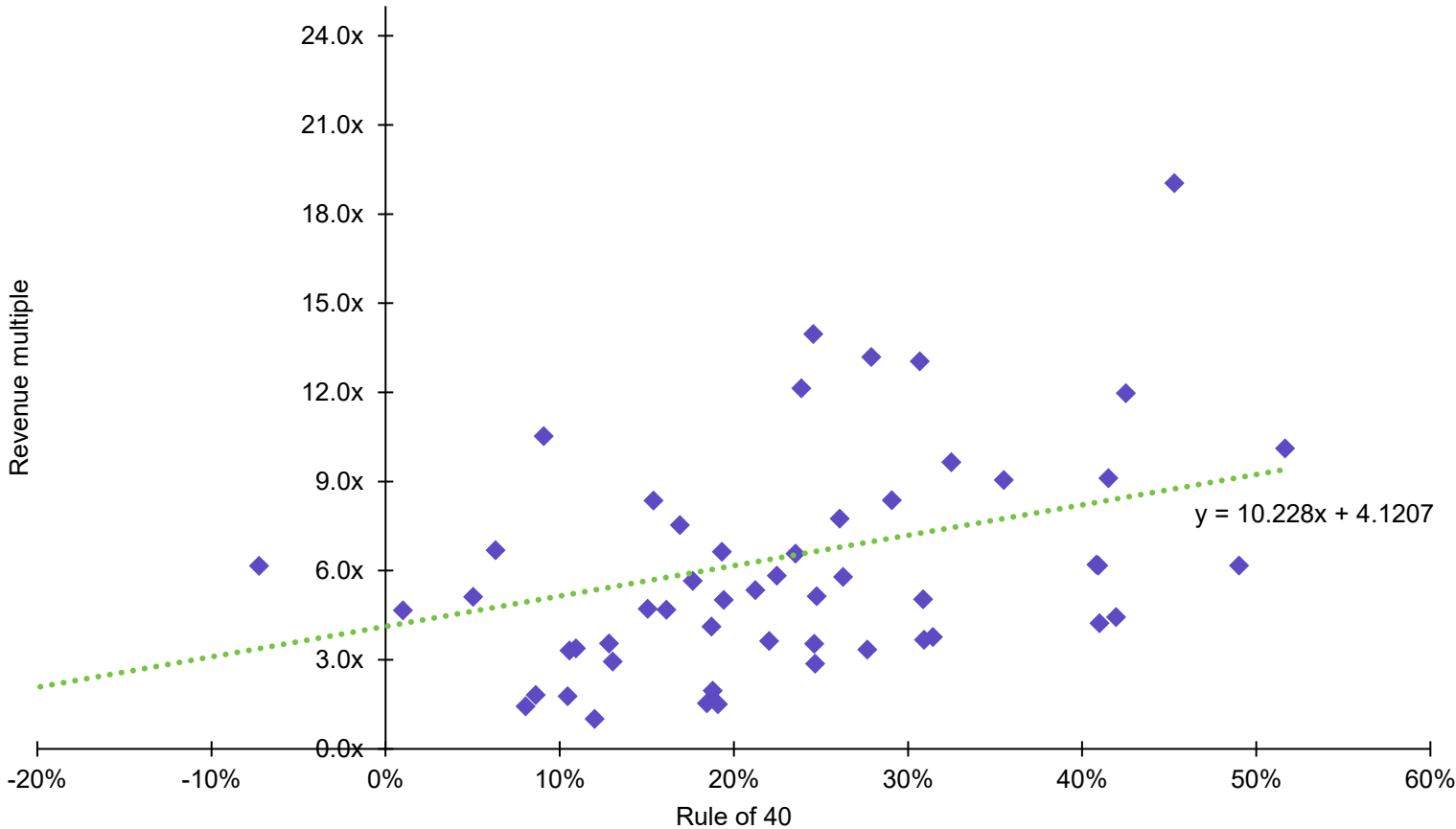
Q1 2026 update

- As of Q1 2026, the vast majority of SaaS companies continue to fall below the Rule of 40 threshold
- Based on Q4 2025 financials, 41 out of 51 companies in our index (80%) scored below 40, with only 10 companies, including Adobe, Shopify, and ServiceNow, comfortably exceeding the threshold

Deep-dive: Rule of 40

A 10-point improvement in the Rule of 40 score is associated with approximately 0.39x additional EV/Revenue multiple as of Q1 2026

Revenue multiple vs Rule of 40



Comments

- The Rule of 40 has regained importance as a key predictor of SaaS valuations, with its influence strengthening compared to prior quarters
- Companies with a near-zero Rule of 40 score are expected to trade at approximately 6.0x revenue based on the Q3 2025 regression intercept, though this baseline is compressing rapidly with the 2026 market selloff

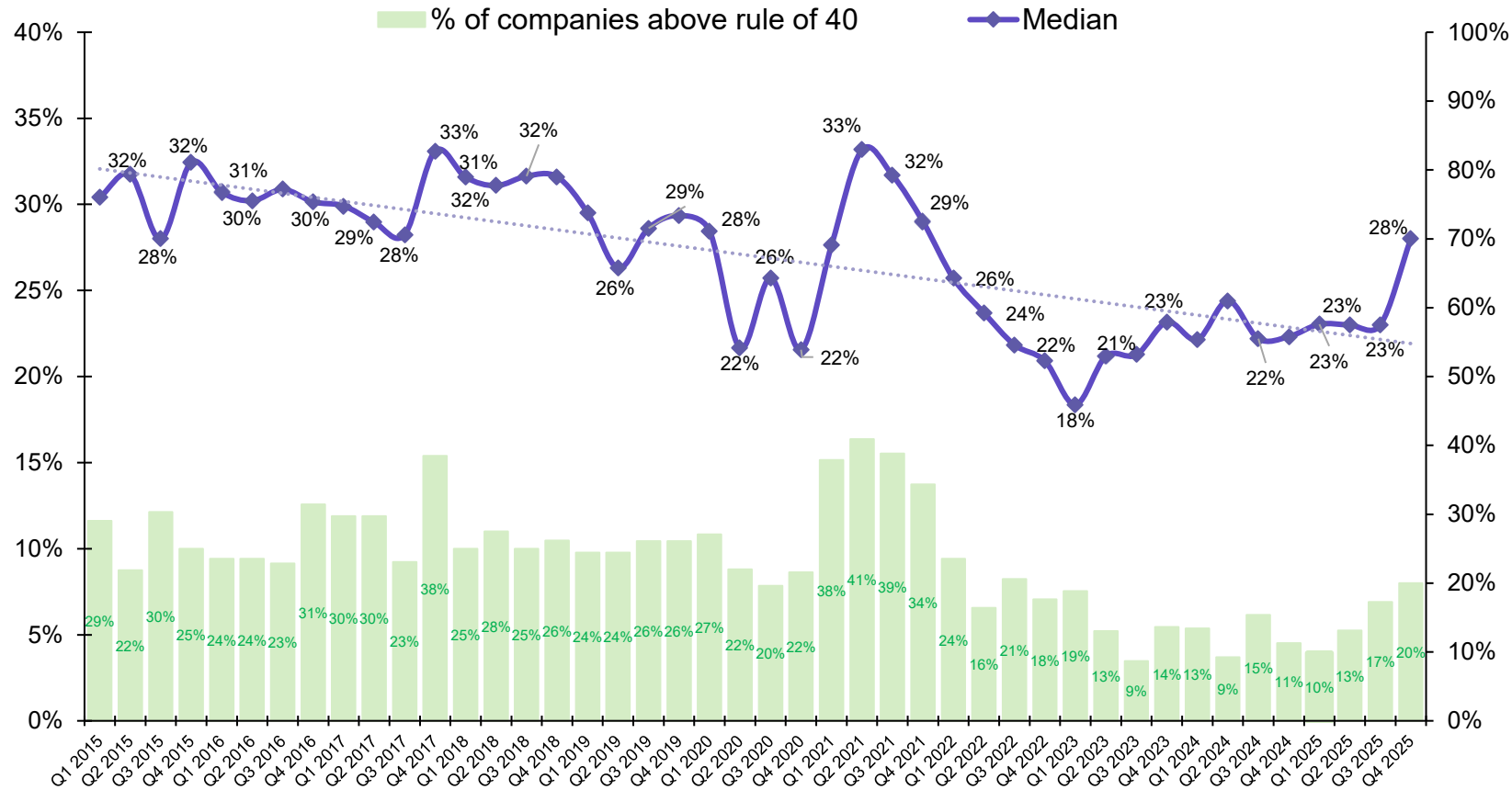
Q1 2026 update

- As of Q1 2026, using Q3 2025 EV/Revenue multiples and Q3 2025 Rule of 40 scores, a 10-point improvement in Rule of 40 is associated with approximately 0.39x additional EV/Revenue multiple, materially lower than the 1.02x sensitivity observed in 2024
- The declining multiple sensitivity reflects the fact that the Q1 2026 de-rating is market-wide and macro-driven, rather than a differentiation between high- and low-quality SaaS operators

Deep-dive: SaaS Rule of 40

The median Rule of 40 score for SaaS companies remains below 30%, with a long-term average of approximately 27% since 2015

Rule of 40, %



Comment

- Rule of 40 for a median SaaS company, calculated as sum of revenue growth and EBITDA margin, has been slowly declining since 2015

Q1 2026 update

- As of Q1 2026, based on Q4 2025 reported data, the median Rule of 40 score across the index stands at 26.4%. Approximately 20% of companies (10 out of 51) exceeded the Rule of 40 threshold, broadly unchanged from Q3 2025, suggesting that the underlying operational quality of the index has stabilized even as valuations have compressed sharply

Table of Contents

1. SaaS valuations: Listed companies
2. SaaS valuations: M&A transactions



SaaS Multiples

Since 2015, SaaS companies have had median EV/Revenue of 4.5x and EV/EBITDA of 23.0x

Multiple	Sample (n)	Median deal size	1st quartile	Median	3rd quartile
EV/Revenue	543	\$80M	2.4x	4.5x	8.1x
EV/EBITDA	232	\$181M	12.8x	23.0x	47.1x

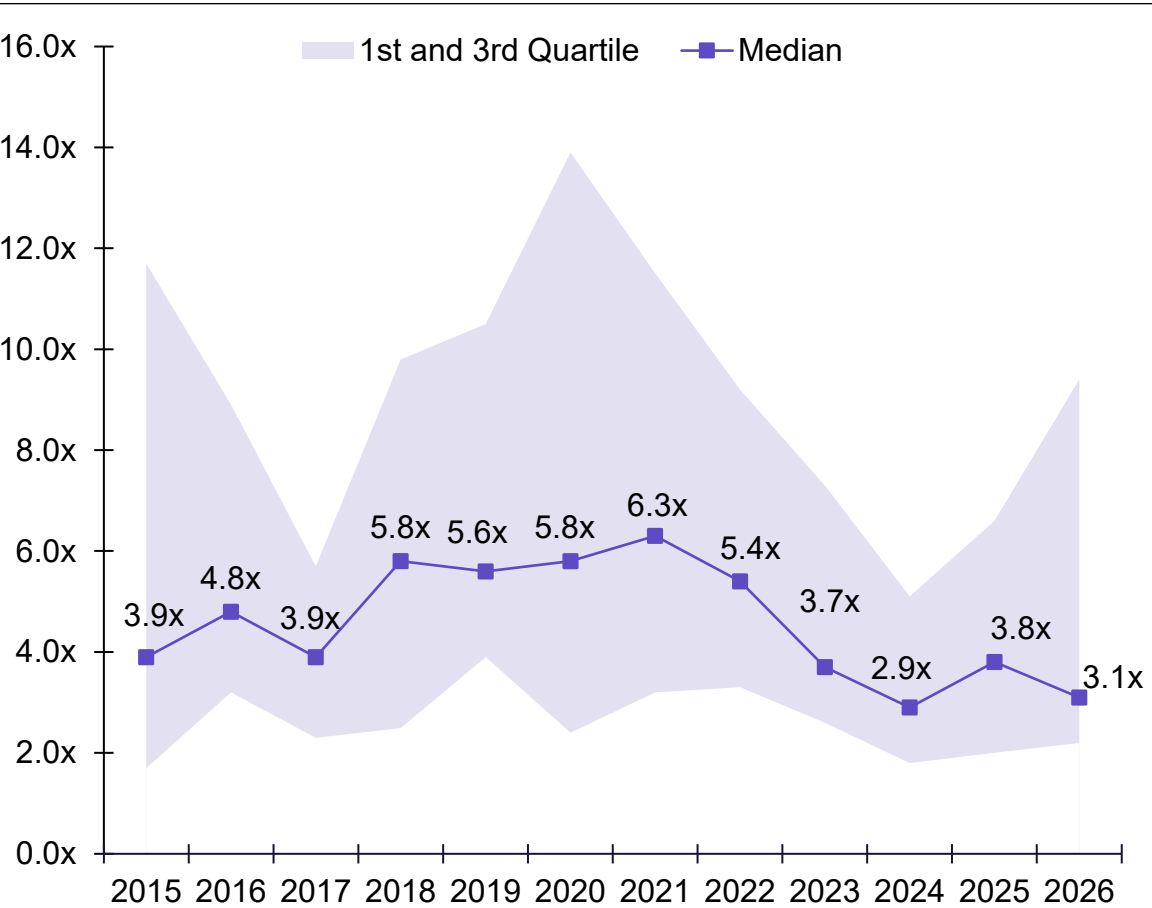
Search criteria:

Industry is Computer Software; Software as a Service (SaaS)
targets selected
Deal value and multiples are disclosed
Period: 01.01.2015 – 26.03.2026
N=543 transactions

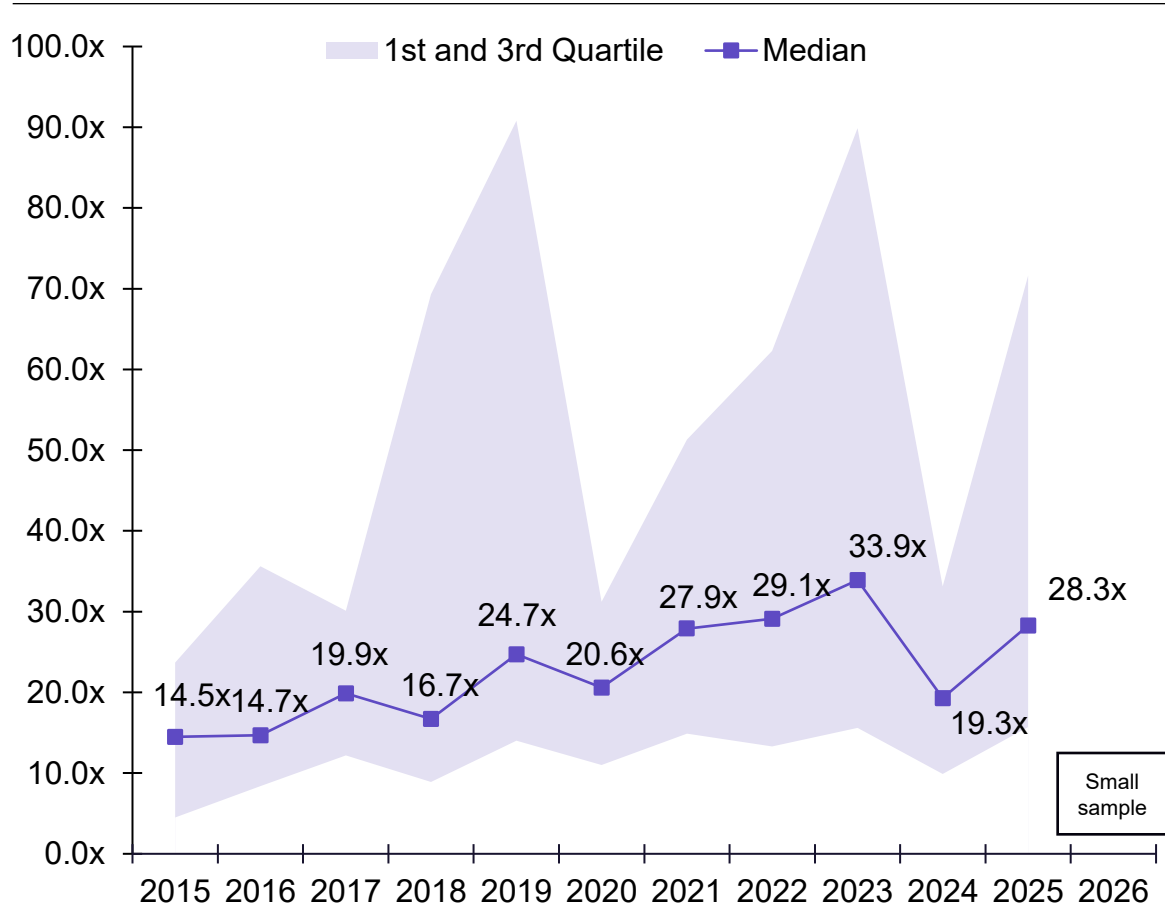
SaaS valuation multiples in M&A transactions

Median valuation multiples increased as large deal share doubled year-over-year

Median EV/Revenue multiple, 2015-2026 (n=543)



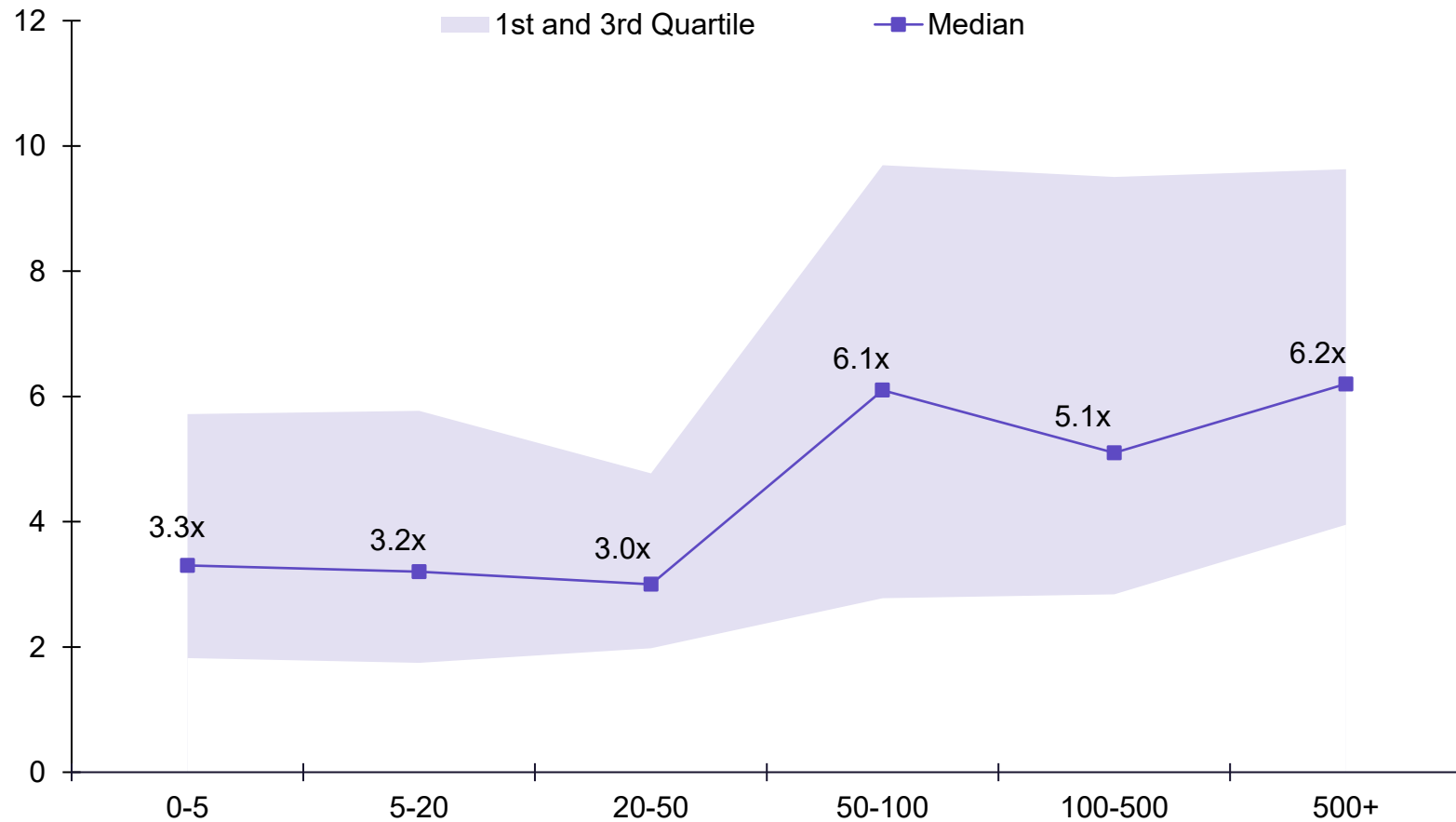
Median EV/EBITDA multiple, 2015-2026 (n=232)



Valuation drivers: Deal size

Deals above \$50M have significantly higher valuations than smaller deals

Median EV/Revenue multiple by deal size, 2015-2026



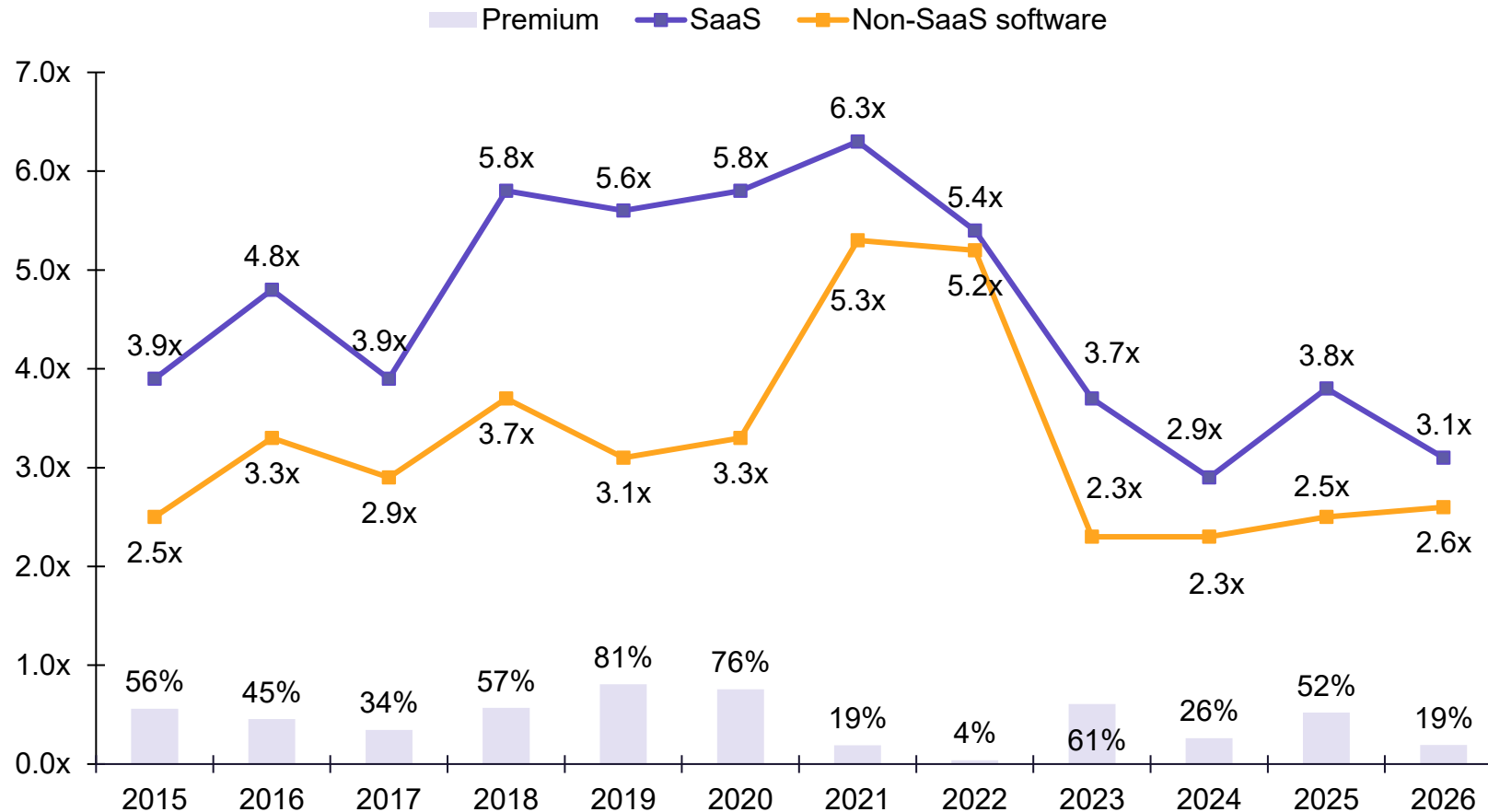
Key findings

- The EV/Revenue multiple for acquired SaaS companies tends to increase with the size of the company
- The gap between the 1st and 3rd quartile of the EV/Revenue multiple widens as the size of the company increases
- Larger deals include strategic acquirers, take-private transactions, yet the elevated competition for such deals is also a major factor

Valuation drivers: SaaS vs Non-SaaS business model

SaaS companies continue to trade at higher multiples, with the SaaS premium rebounding sharply in 2025 after years of decline

SaaS vs Non-SaaS software, EV/Revenue multiple









Key findings

- In the sample analyzed, SaaS companies had consistently higher EV/Revenue ratios than other types of software companies
- The “SaaS premium” stayed elevated in the 2015-2020 period but has since declined
- We believe the increased competitiveness of investors for any software deals, as well as ongoing transition to the cloud contributed to its decline

Valuation drivers: Target location

US SaaS companies made up most acquisitions in the sample and had the highest valuations and deal sizes

Country of Target Company	Number of deals	Median size, m USD	Median EV/Revenue	Median EV/EBITDA
 USA	217	434	5.3x	33.4x
 United Kingdom	66	26	4.0x	18.0x
 Norway	25	27	5.2x	22.7x
 Australia	31	58	4.0x	18.6x
 Canada	20	73	3.4x	26.1x
 France	20	48	2.7x	10.8x
Other	164	22	3.2x	18.1x
Total	543	80	4.5x	23.0x

About Aventis Advisors

We advise founders of **technology and growth** companies on company exits and strategy.

Our focus sectors are **Software and IT Services**.

Our job is to make sure you **sell at the right time to the right people** for the best valuation.

Technology M&A focus

Cross-border expertise

Thought leadership

Aventis Advisors



Contact us

[*Get in touch with our advisors*](#) to discuss how much your business could be worth and how the M&A process looks.



Marcin Majewski

Managing Director

marcin.majewski@aventis-advisors.com



Filip Drazdou

M&A Director

filip.drazdou@aventis-advisors.com

