

# Silverpeak Benchmark Report **Flash April Update**

*A review of key company valuation metrics in the UK,  
European and US Application Software sectors.*



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Silverpeak advises outstanding growth technology companies on M&A and financing transactions



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## Report Summary

CATEGORY	MEDIAN REVENUE MULTIPLES		
	Q1 2020		30/04/2020
US SaaS	6.0x	▲ +15%	6.9x
US Vertical	4.0x	▲ +30%	5.2x
US Horizontal	5.3x	▲ +8%	5.7x
UK Small & Mid	2.7x	▲ +7%	2.9x
Europe	2.0x	▲ +20%	2.4x

Source: Capital IQ, Silverpeak

Note: Q1 2020 multiples are taken at 31/03/20, LTM.

## Key Takeaways

01



We are issuing this interim April report due to the dramatic decline and recovery in multiples over the last 3 months. We have an additional chart showing the SaaS multiples split by 75th and 25th percentile which illustrates the spread of SaaS performance. The charts are 1 Jan 2019 to 30 April 2020.

The left table shows changes from end Q1, but from the low point to 30 April, Median Revenue multiples for US Vertical and Europe recovered 70% of the loss, US SaaS and Horizontal 60%, and UK 50%. Many software sub-sectors are seen to be behaving in a resilient way to COVID-era trading. US Horizontal EBITDA multiples recovered to near pre-COVID levels.



02

03



The SaaS chart shows how the 75th percentile revenue multiple was the biggest faller in Q1 at 3.9x to near the Mean, and now has recovered 2.5x of the loss to 9.7x. Quality is still rewarded with 75th percentile multiple almost 200% of the 25th percentile 5x, which is 1.9x below Median. However, both recovered the same 63% of their loss to 30 April.

# All multiples recover to 2019 levels, except UK Small + Mid Cap

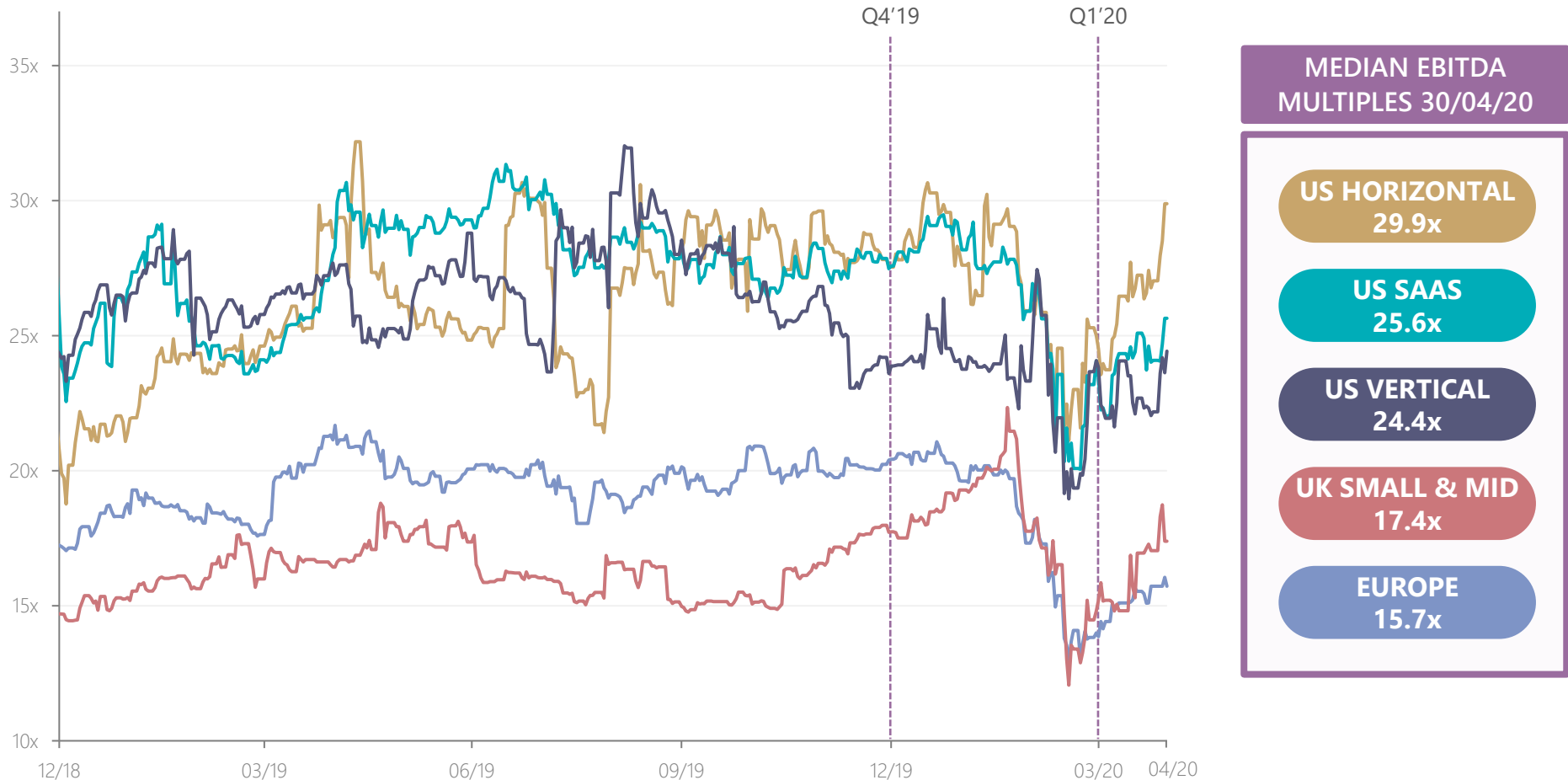
Application software sector valuation metrics: median **revenue** multiples 01/01/19-30/04/20



Source: Capital IQ, Silverpeak

# A strong recovery across the board, except for European multiples

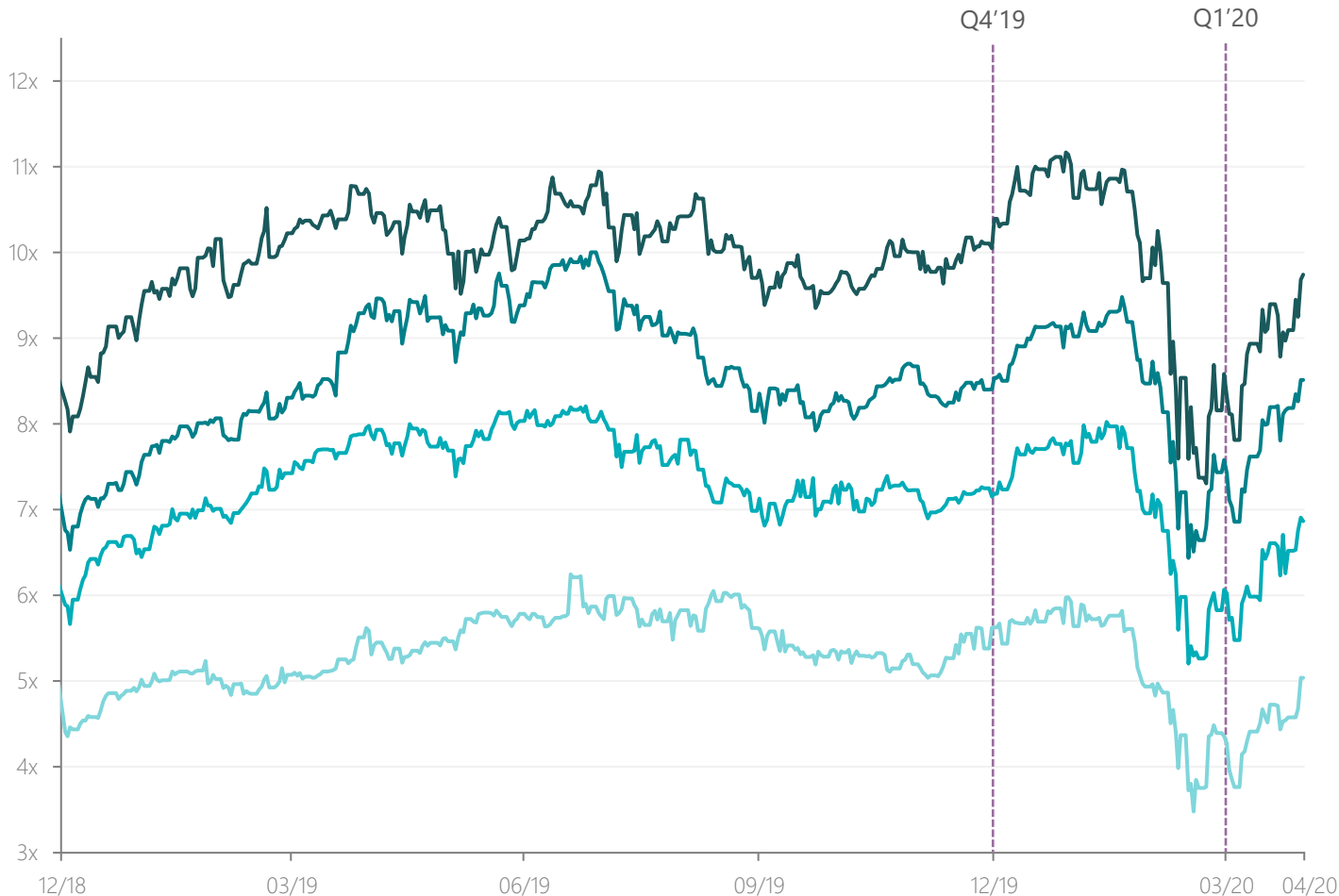
Application software sector valuation metrics: median **EBITDA** multiples 01/01/19-30/04/20



Source: Capital IQ, Silverpeak

# US SaaS multiples recover c.63% of their fall

US SaaS valuation metrics: **revenue** multiples 01/01/19-30/04/20



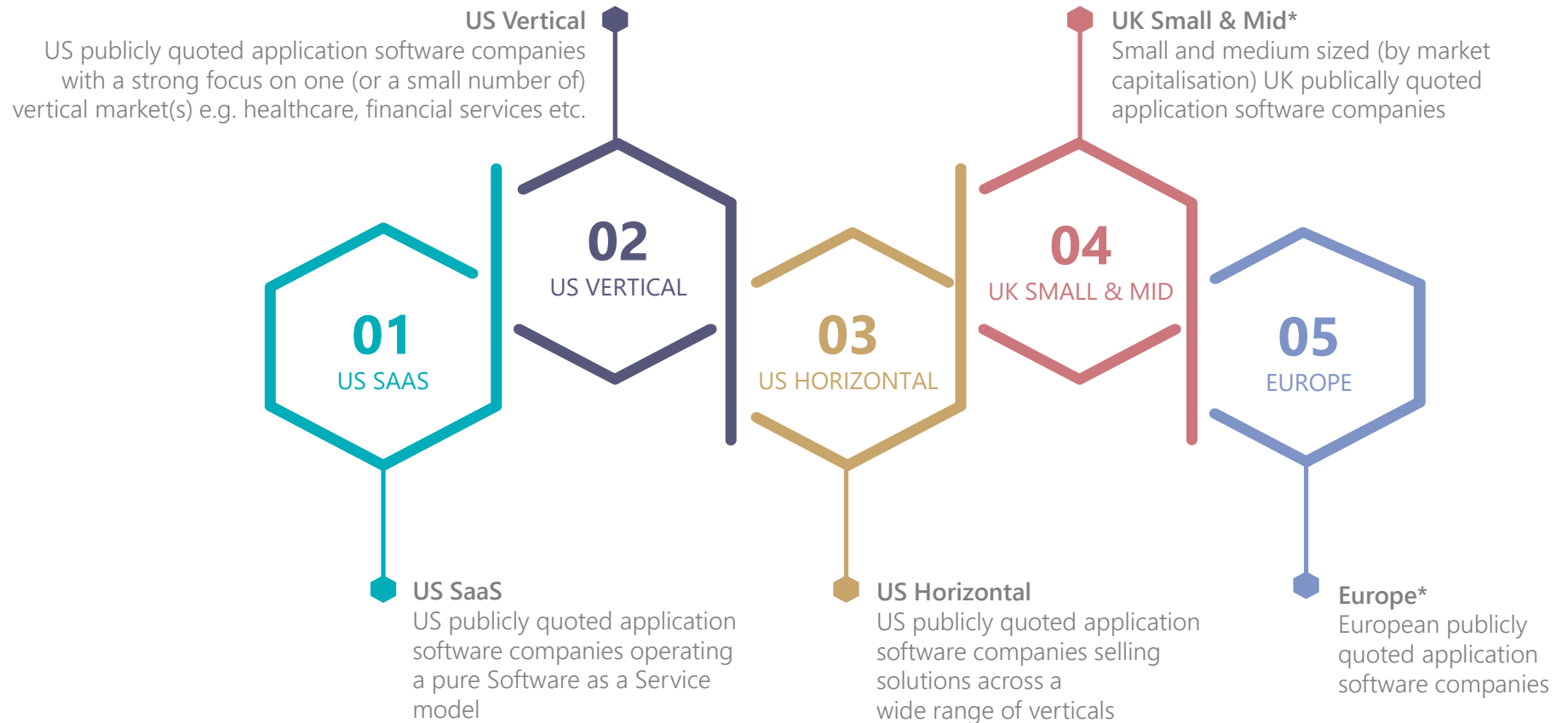
**US SAAS REVENUE MULTIPLES 30/04/20**

- 75<sup>TH</sup> PERCENTILE**  
9.7x
- MEAN**  
8.5x
- MEDIAN**  
6.9x
- 25<sup>TH</sup> PERCENTILE**  
5.0x

Source: Capital IQ, Silverpeak

# Company Categorisation – By Type

For comparison purposes, we've grouped companies covered in the report into one of five categories



\*We've grouped UK and Europe companies in this manner because sample sizes do not permit a breakdown into horizontal vs vertical vs SaaS focused companies

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Thank you from Silverpeak