Q2 2025

SOFTWARE BENCHMARK REPORT

Global valuations rebound on AI momentum and easing macro-outlook

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SILVERPEAK

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 577 companies.

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QoQ VALUATION HIGHLIGHTS

REGIONAL

EUROPE	+15%	EV / REV
UK	+24%	EV / EBITDA

SECTOR

FINTECH	+36%	EV / REV
SECURITY	+15%	EV / EBITDA

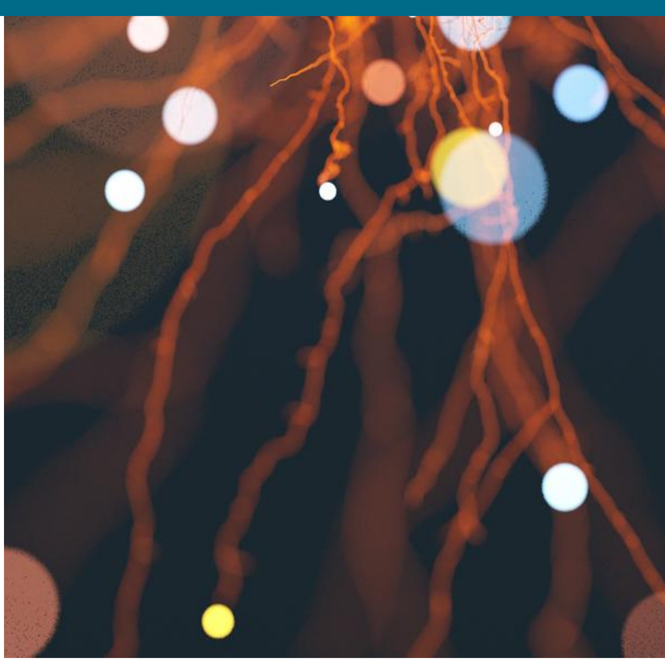
Glossary and methodology on page 17

"Despite a rebound in valuations, driven by expected rate cuts and AI enthusiasm, investors remain grounded. Profitability, durable revenue, and execution clarity continue to outweigh growth alone. In an increasingly selective market, fundamentals remain in focus.

CHRISTOPHER WHITE
MANAGING DIRECTOR, SILVERPEAK

KEY FINDINGS

- While growth forecasts remain conservative, global tech market valuations have improved, largely as a result of easing monetary policy conditions
- The IPO market regained confidence in Q2, with five new listings in our dataset, led by the US market
- Fintech outperformed this quarter, driven by a pro-digital asset stance from the US administration and improving financial performance of the large platforms



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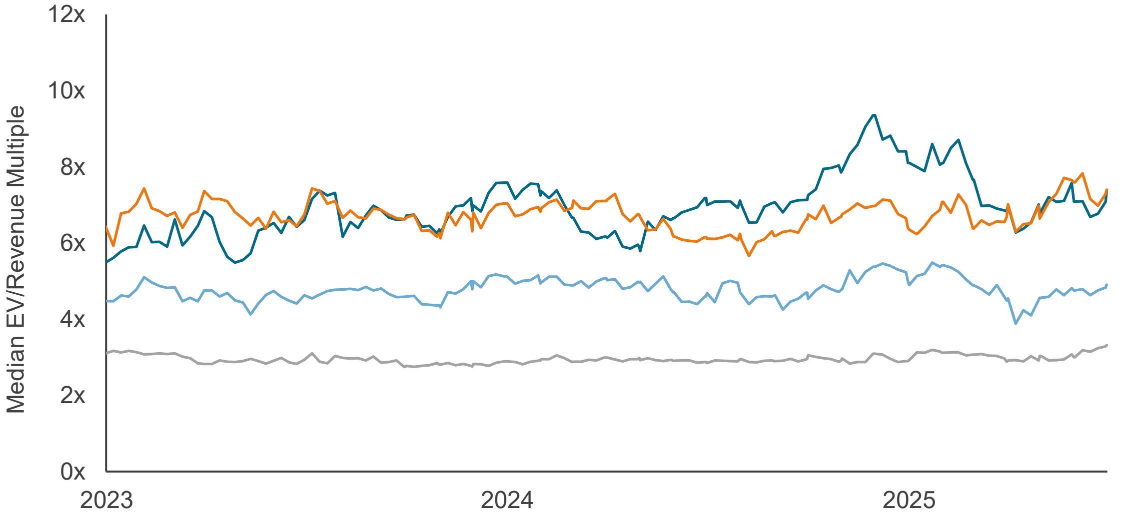
SECTION 1

Category valuation multiples

EV/Revenue multiples recover across all categories in Q2

EV/Revenue multiples rose across all software categories in Q2, led by a sharp rebound in US SaaS and Europe. The broad market improvement reflects renewed global appetite for tech and growth equities during the quarter, following more stable macro conditions and growing investor optimism around AI-driven demand.[1]

SOFTWARE CATEGORY VALUATION METRICS: MEDIAN EV / REVENUE MULTIPLES



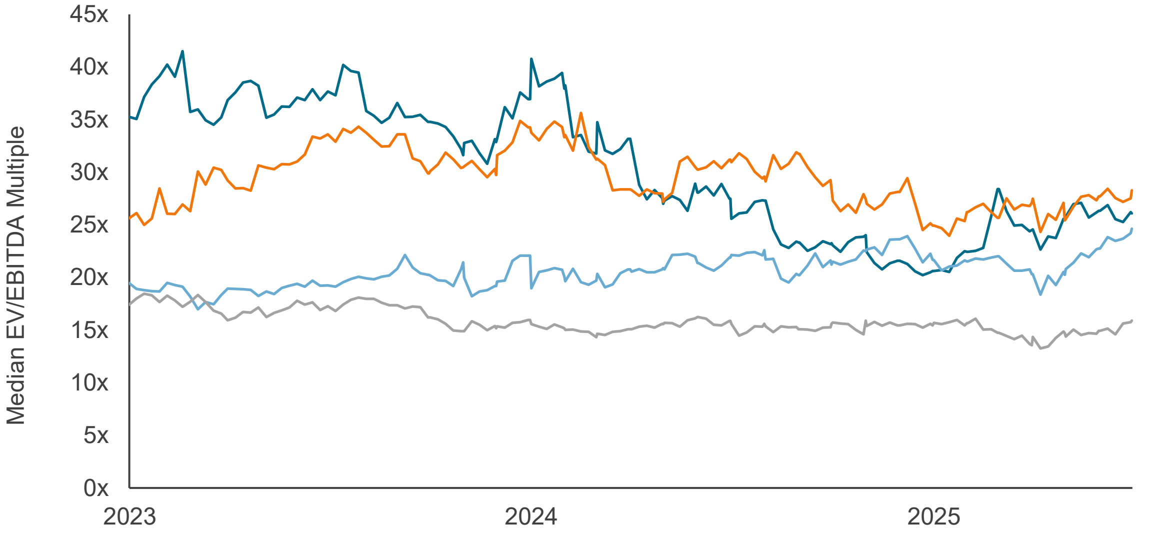
	US vertical	US SaaS	US horizontal	Europe
	7.38x	7.40x	4.90x	3.32x
QoQ change	8% ▲	11% ▲	9% ▲	15% ▲
YoY change	3% ▼	20% ▲	7% ▲	16% ▲

Europe saw the strongest QoQ rebound, with EV/Revenue multiples rising 15% to 3.32x, now up 16% YoY. The recovery reflects growing global investor interest in relatively discounted European software assets and diversification away from the US.[2] This has been further supported by a more accommodative monetary policy backdrop, with both the ECB and Bank of England cutting rates by 25bps during the quarter.[1]

In the US, all categories posted gains, with US SaaS rising most notably — up 11% QoQ to a category-leading 7.40x. This occurred despite a sharp early-quarter sell-off triggered by the US government's "Liberation Day" tariffs announcement on April 2.[2] Investor sentiment toward tech and SaaS stocks recovered meaningfully as the quarter progressed, driven by easing macroeconomic risks, resilient earnings, and increased clarity on policy direction.[2]

Source: [1] PWC [2] JP Morgan Asset Management

SOFTWARE CATEGORY VALUATION METRICS: MEDIAN EV / EBITDA MULTIPLES

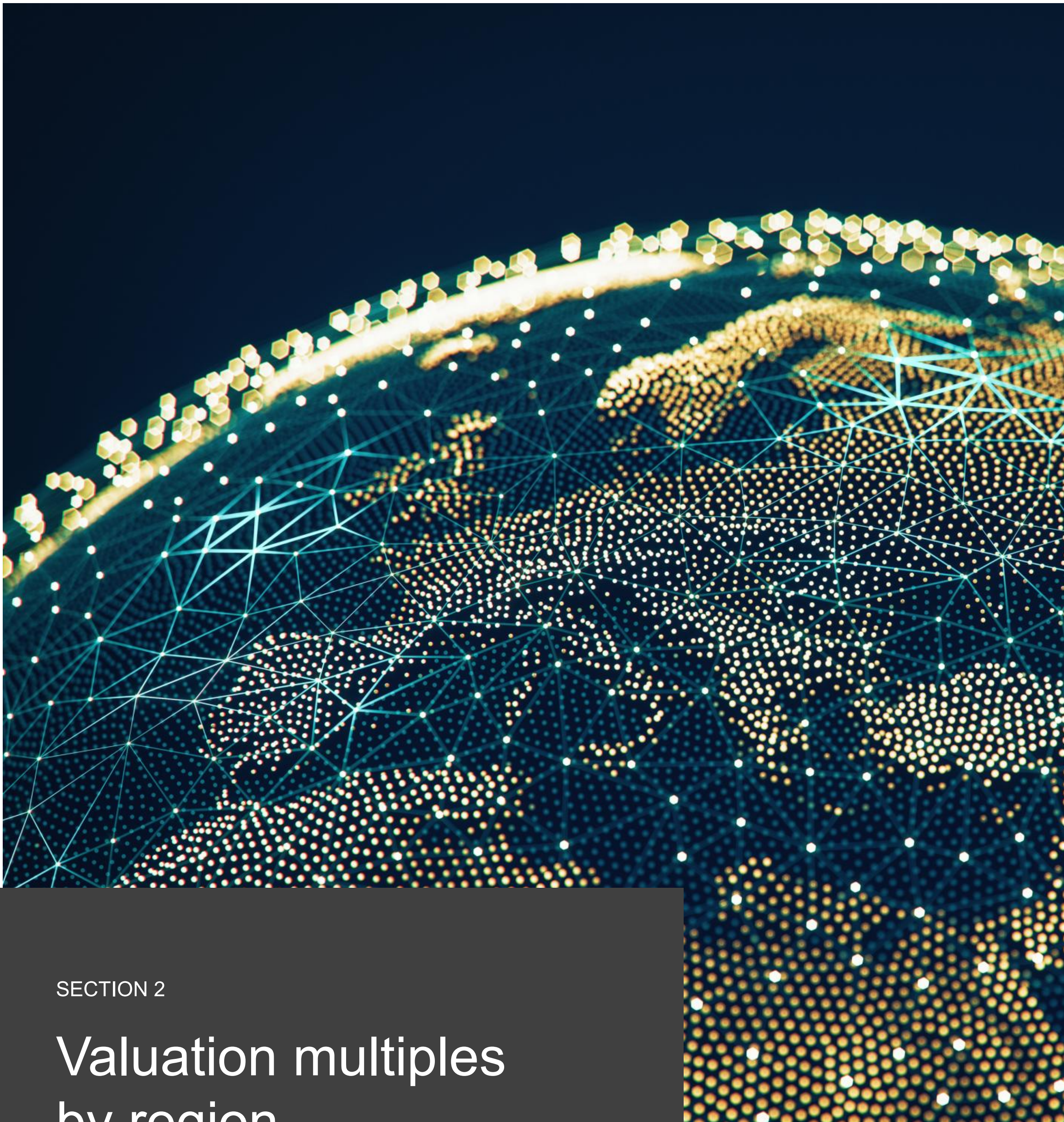


US vertical	US SaaS	US horizontal	Europe
26.08x	28.27x	24.63x	15.90x
QoQ change			
6% ▲	4% ▲	21% ▲	17% ▲
YoY change			
-5% ▼	-9% ▼	13% ▲	0% —

US horizontal software posted the strongest EV/EBITDA growth this quarter, rising 21% QoQ to 24.63x with investors rewarding software vendors that show credible strategic positioning in AI, whilst having visibility over large-scale, durable revenue. Oracle exemplified this trend, with its multiple increasing 41% to 28.27x. The valuation re-rating followed news of a long-term cloud contract expected to generate over $30 billion in annual revenue starting fiscal year 2028.[1] In parallel, the company has announced several high-profile AI partnerships, including the Stargate initiative with OpenAI and SoftBank to invest in AI infrastructure.[1] Oracle's share price reached all-time highs following these developments, up 33% year-to-date.

Europe recorded a 17% QoQ increase in EV/EBITDA multiples, in part driven by re-ratings from smaller-cap players that are also benefiting from the broader AI narrative, when their strategy is supported by clear commercial traction. UK-based Aptitude Software was among the key contributors; its multiple rose 24% to 18.08x, supported by strong Q1 2025 performance. The finance data management platform reported growth in recurring revenue, driven by new enterprise wins for its AI-powered flagship product, Fynapse.[2]

Source: [1] CNBC [2] Alliance News

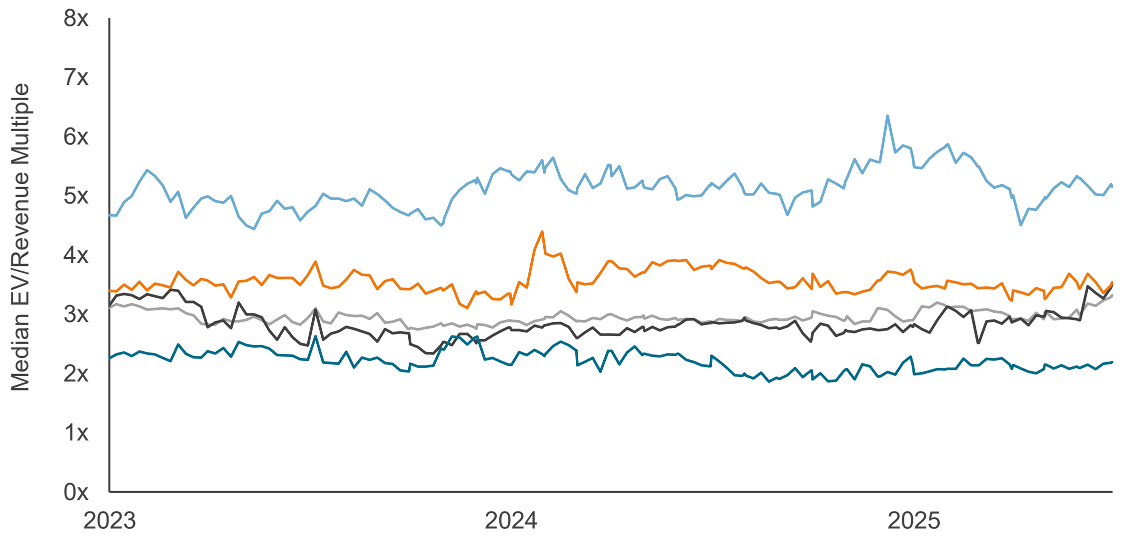


SECTION 2

Valuation multiples by region

UK EV/Revenue valuations outpace the rest of Europe

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



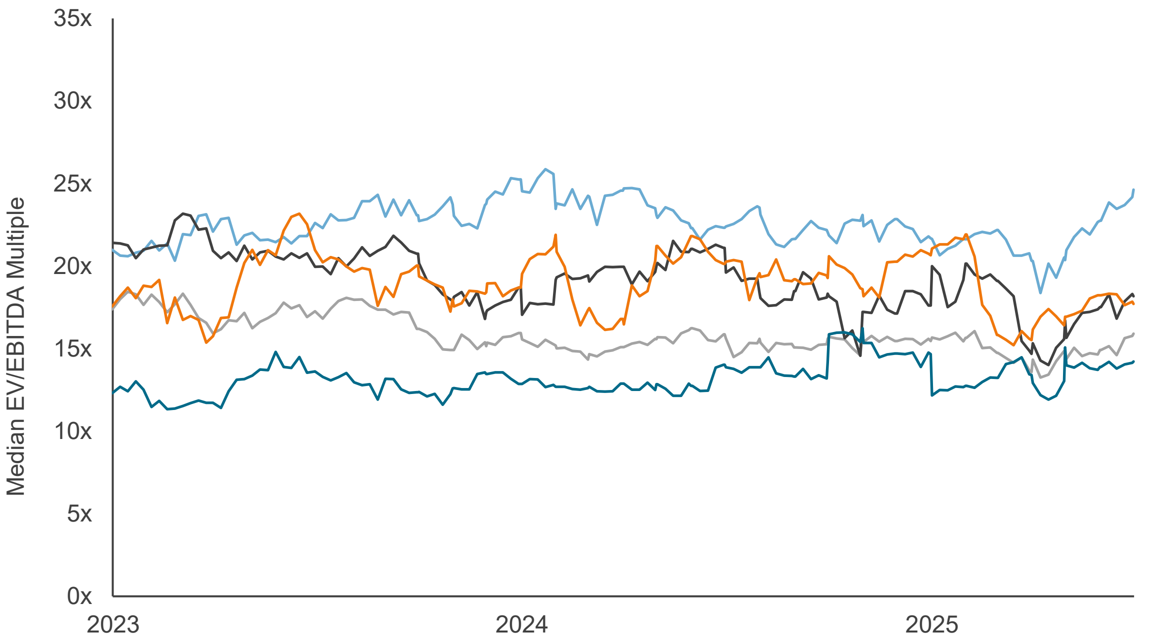
US	Europe	UK	DACH	NORDICS
5.15x	3.32x	3.51x	2.19x	3.54x
QoQ change				
4% ▲	15% ▲	23% ▲	5% ▲	10% ▲
YoY change				
0% —	16% ▲	23% ▲	3% ▲	-7% ▼

The UK outperformed Europe this quarter, with EV/Revenue multiples rising 23% QoQ and YoY to 3.51x. The bounce likely reflects a correction from previously compressed valuations and renewed institutional interest in UK-listed software firms. The interest rate outlook also remains supportive, with the BoE is expected to cut UK rates a further 2 times (25bps each) by year end.[1]

The Nordics posted a 10% QoQ increase in EV/Revenue multiples to 3.54x, though valuations remain down 7% YoY. A strong performer was Norway-based Elliptic Labs, a provider of AI-powered software sensors for smartphones and IoT devices. In Q1 2025, the company reported a 20% YoY increase in revenue, underpinned by a stable cash position and swing to profitability in 2024.[2] The improved financial fundamentals, particularly profitable growth, helped lift its EV/Revenue multiple 30% QoQ to 6.12x.

Source: [1] Investec European and UK ECM [2] Elliptic Labs Earnings Report

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



US	Europe	UK	DACH	NORDICS
24.63x	15.90x	18.18x	14.21x	17.72x
QoQ change				
21% ▲	17% ▲	24% ▲	6% ▲	14% ▲
YoY change				
10% ▲	0% —	-14% ▼	1% ▲	-12% ▼

The US region recorded a 21% QoQ rise in EV/EBITDA multiples, lifting the median to 24.63x, still the highest globally. Microsoft exemplified this trend, with its multiple rising 27% to 24.7x, supported by 33% YoY Azure revenue growth (16% of which were AI-related) and net income rising 18% YoY to $25.8bn in Q1 FY25.[1] Investors are rewarding hyperscalers like Microsoft that are not only delivering AI-driven revenue growth, but also expanding margins, freeing up capital to reinvest in AI infrastructure. Capex rose 53% to $16.75bn in the quarter, reflecting clear intension to reinforce their competitive advantage.[1]

While the US saw a number of software IPOs in H1, many such as SailPoint and MNTN remain unprofitable, and therefore do not report EBITDA multiples in our dataset. This may partially explain the variance between US performance on EV/Revenue vs EV/EBITDA metrics.

The US continues to dominate the tech IPO landscape. Of the 35 major global software IPOs in H1 2025, just three were European.[2] This underscores the widening gap in public market appeal between the US and Europe, with the US clearly re-establishing itself as the primary lead for tech IPO activity.

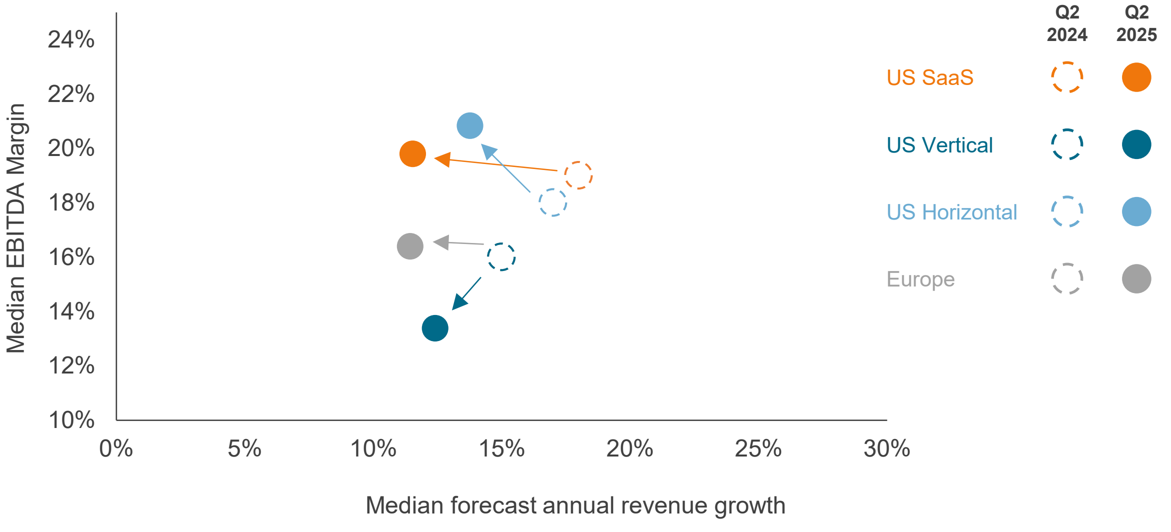
Source: [1] Microsoft Earnings Release, CNBC [2] Multiples.VC

SECTION 3

Operating metrics

Growth forecasts continue to decline across the board amid ongoing macro pressures

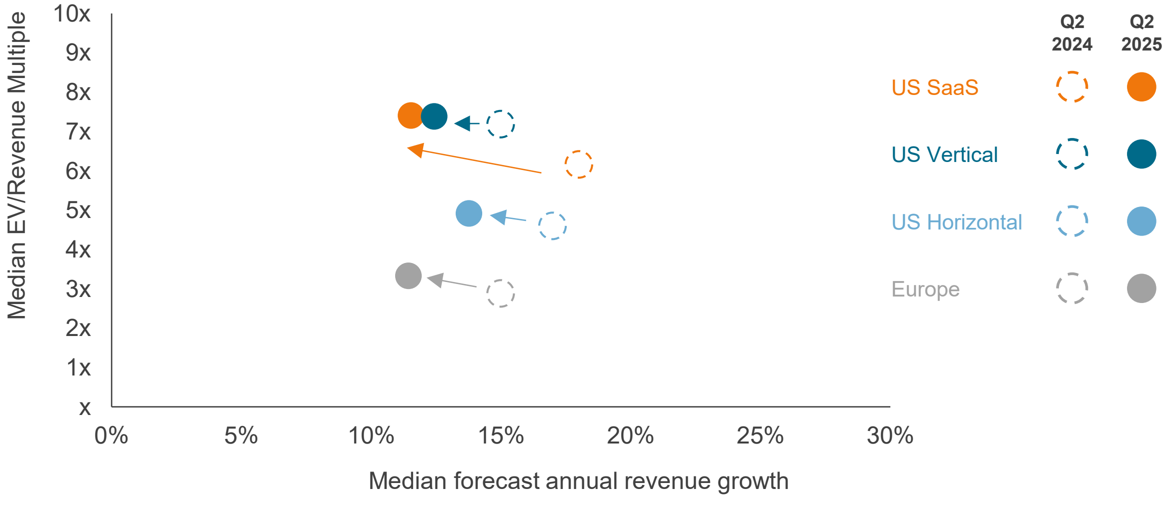
SOFTWARE CATEGORY OPERATING METRICS: EBITDA MARGIN vs REV GROWTH (F)



In Q2, amid trade tensions, policy uncertainty, and the lingering effects of previous economic shocks, forecast annual revenue growth rates saw declines across all categories, with the US SaaS median down 7%.

The median EBITDA margins rose for both US Horizontal and US SaaS, up 3% and 1%, respectively, likely reflecting operating leverage from cloud and AI-driven efficiency gains. US vertical saw a 3% decline whilst Europe remained flat once again.

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

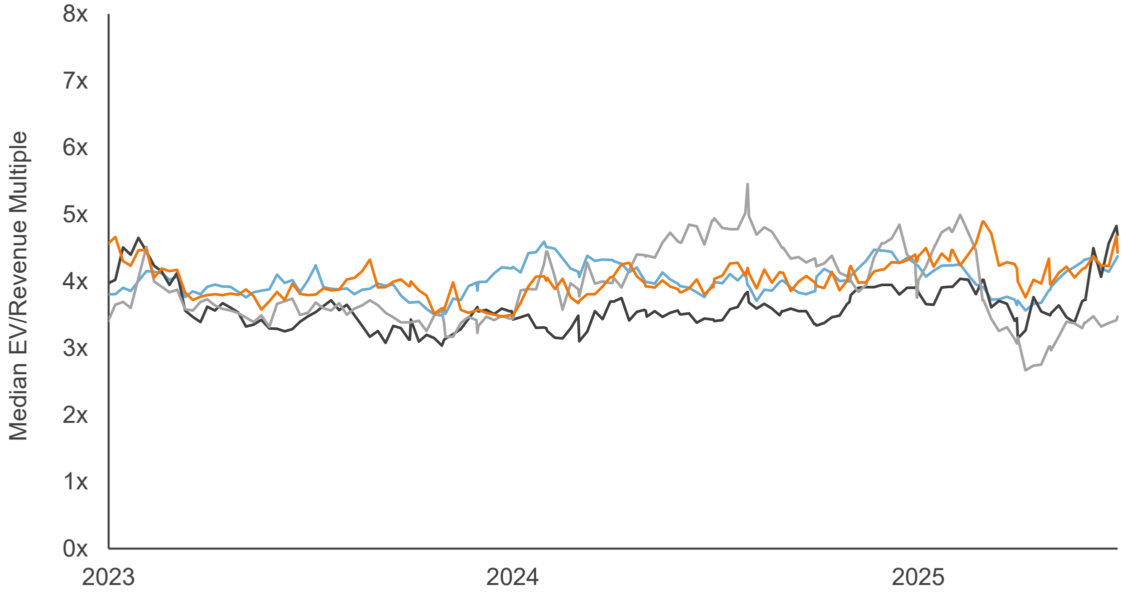


SECTION 4

Sector valuation multiples

Fintech rebounded this quarter as macroeconomic and political sentiment improved

SOFTWARE SECTOR VALUATION METRICS: MEDIAN EV / REVENUE MULTIPLES



	Security	Enterprise	Fintech	Industrials
	4.43x	4.37x	4.69x	3.47x
QoQ change	6% ▲	20% ▲	36% ▲	13% ▲
YoY change	13% ▲	11% ▲	37% ▲	-29% ▼

Across our tracked sectors, Fintech software recorded the strongest rebound this quarter, with EV/Revenue multiples rising 36% QoQ and 37% YoY. This momentum was underpinned by improving regulatory clarity in the US digital asset space and growing investor rotation back into growth names amid expectations for Fed rate cuts in H2.[1] Notable movers in the sector include Nasdaq listed Buy-Now-Pay-Later (BNPL) player Sezzle inc. which announced Q1 revenue growth surpassing the major BNPL players Affirm and PayPal.

Enterprise software also posted strong performance, with revenue multiples up 20% QoQ and 11% YoY. ServiceNow exemplified the trend, with its share price jumping 15% in a single day following strong Q1 2025 results. While revenue was in line with expectations, profitability exceeded forecasts — a combination that continues to attract investor support. The company reported double-digit revenue growth, operating margins above 30%, and robust free cash flow, reinforcing its capacity to fund further AI investments. Despite prior concerns over enterprise exposure under the Trump administration, US public sector net-new ACV grew over 30% in Q2.[2]

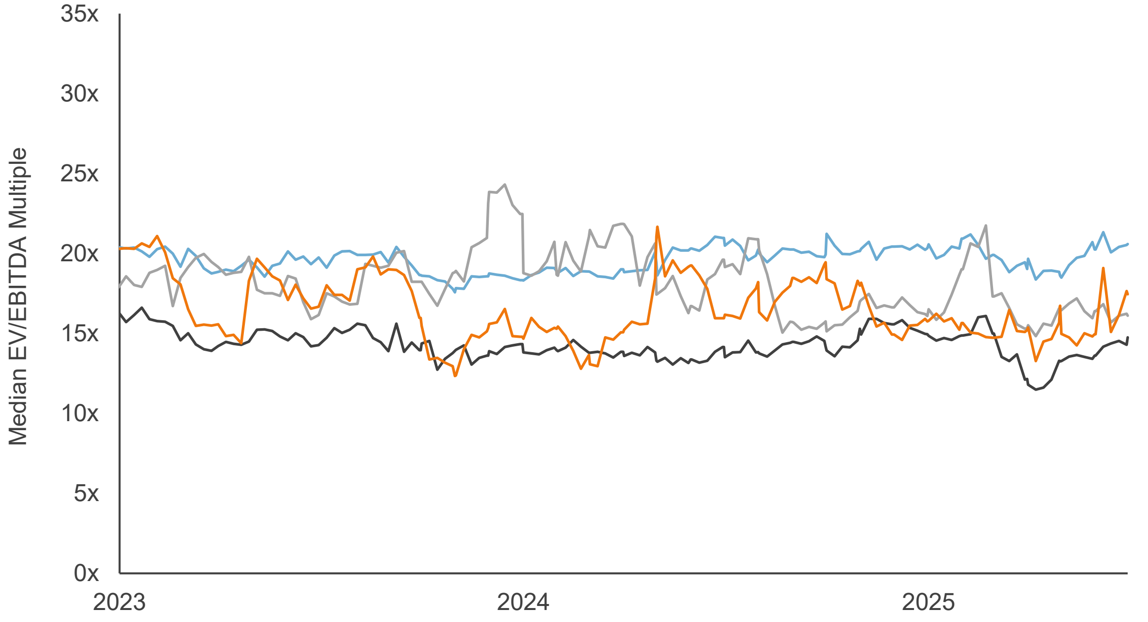
Source: [1] J.P. Morgan Asset Management [2] Yahoo! Finance

On an EV/EBITDA basis, Fintech followed a similar trend to revenue multiples, posting the largest gains this quarter, up 21%.

Security also performed well, rising 15% QoQ and 9% YoY, joining Fintech in demonstrating consistent positive momentum over both time frames. Within security, Nasdaq-listed Gen Digital reported Q4 fiscal 2025 revenue of $1.01 billion, up 5% YoY and slightly ahead of expectations. Alongside the results, the company raised its full-year fiscal 2026 revenue guidance to $4.7–4.8 billion, up from $4.6–4.7 billion previously.[1] The increase reflects management's confidence in sustained demand for its cybersecurity portfolio, including Norton, Avast, and Avira, amid a growing threat landscape driven by AI-enhanced attacks.[1]

Whilst the industrials software segment somewhat recovered in Q2 2025, it remains down YoY and has experienced significant volatility in H1, likely due to continued tariff uncertainty.

SOFTWARE SECTOR VALUATION METRICS: MEDIAN EV / EBITDA MULTIPLES



Security 17.46x	Enterprise 20.60x	Fintech 14.75x	Industrials 16.11x
QoQ change			
15% ▲	8% ▲	21% ▲	5% ▲
YoY change			
9% ▲	-2% ▼	4% ▲	-18% ▼

Source: [1] Nasdaq

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 30/06/2025)

Europe (177)

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

US SaaS (68)

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

US vertical (45)

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

US horizontal (162)

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 30/06/2025)

Enterprise Software (163)

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

Fintech (56)

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

Media (34)

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

Security (51)

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.

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US NAT SEC INVESTORS

UK | UK — Apr 2025

ScreenCloud

Global leader in digital signage software

Sale to

TENZING

UK | JP — Mar 2025

Alloyed

Digital additive manufacturing and alloy development platform

$47m Series B financing

DBJ, SPARX, OSE, REDSTONE, JX, AngloAmerican, AVIVA

IT I UK I DE I ROW — Mar 2025

2D PHOTONICS

Graphene-based photonic technology

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Frontier IP Group plc, NIF, cdp, JOIN. CAPITAL, INDACO, Sony Innovation Fund, Bosch Ventures BOSCH

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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.

"

Silverpeak were the standout choice for us – not just because of their deep expertise in B2B SaaS and global reach, but because they truly understood how to position and market our business. That commercial lens set them apart from other corporate finance advisors.

CHRIS McCULLOUGH, CEO, ROTAGEEK

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