SILVERPEAK

Q3 2025

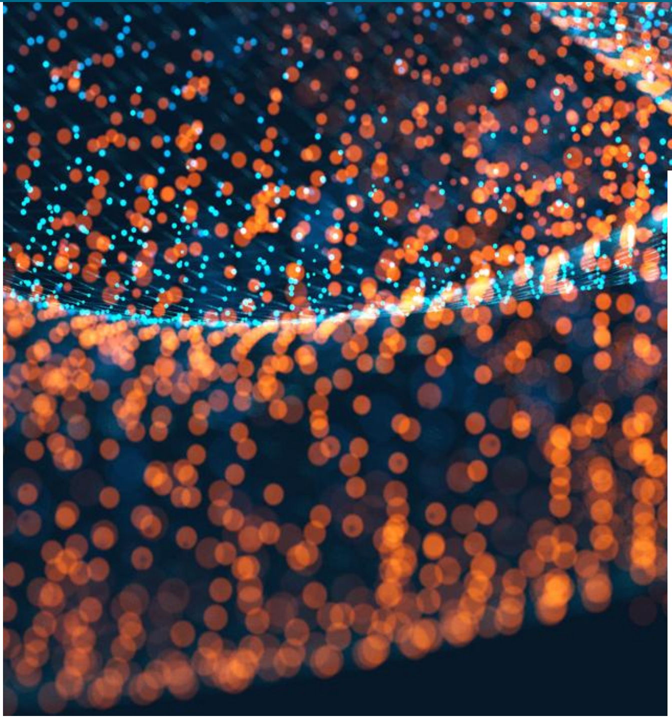
SOFTWARE BENCHMARK REPORT

US valuations cool as market sentiment shifts to caution

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 579 companies.



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QoQ VALUATION HIGHLIGHTS

REGIONAL

US VERTICAL	-22%	EV / REV
NORDICS	+14%	EV / REV

SECTOR

SECURITY	+19%	EV / EBITDA
FINTECH	-13%	EV / EBITDA

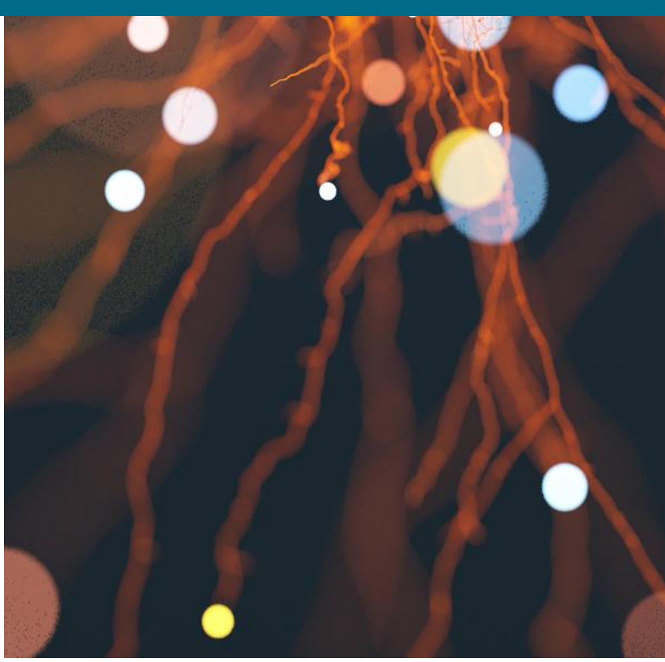
Glossary and methodology on page 17

"US software valuations came under greater scrutiny amid AI-driven disruption and concerns about markets reaching all-time highs. In contrast, European stocks proved more resilient, supported by valuations that were already closer to fundamental levels.

THOMAS TISONE
VICE PRESIDENT, SILVERPEAK

KEY FINDINGS

- US maintains valuation premium over Europe with Nordics leading European peers
- While the broader IPO market continues to rebound, this trend has yet to meaningfully reach the software sector, with just two new listings added to our dataset in Q3
- Security software outperformed in Q3, supported by sustained enterprise demand as organisations adopting AI tools face heightened exposure to cyber risks



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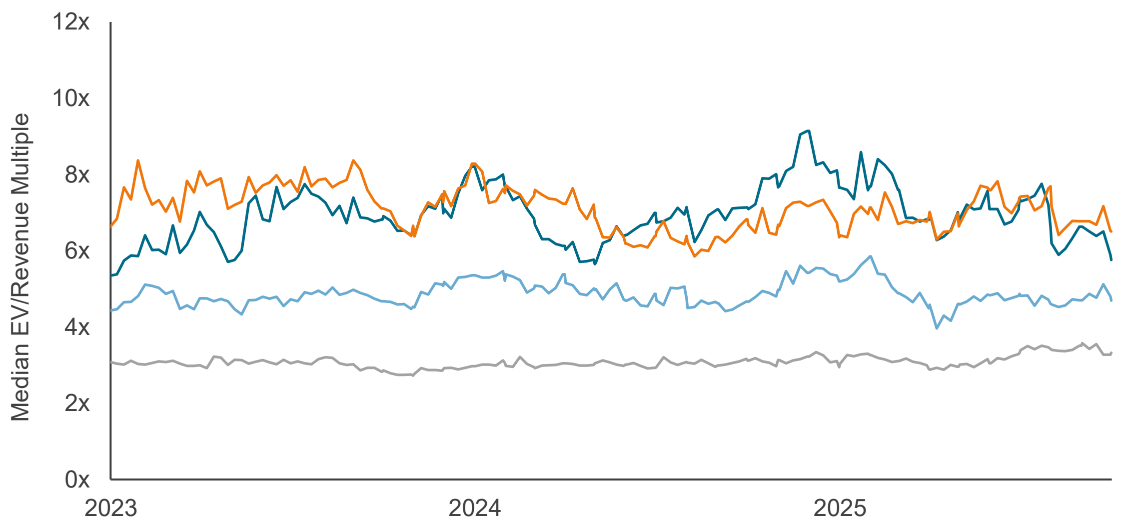
SECTION 1

Category valuation multiples

US saw compression on EV/Revenue multiples across all categories in Q3

EV/Revenue multiples declined across all US software categories in Q3, led by a 22% contraction in vertical software. The reversal marked a clear shift from earlier momentum, as investors grew more cautious on long-term AI disruption in smaller cap vertical applications.

SOFTWARE CATEGORY VALUATION METRICS: MEDIAN EV / REVENUE MULTIPLES



US vertical 5.76x	US SaaS 6.51x	US horizontal 4.69x	Europe 3.32x
QoQ change			
-22% ▼	-12% ▼	-4% ▼	0% ▼
YoY change			
-19% ▼	-5% —	1% ▲	7% ▲

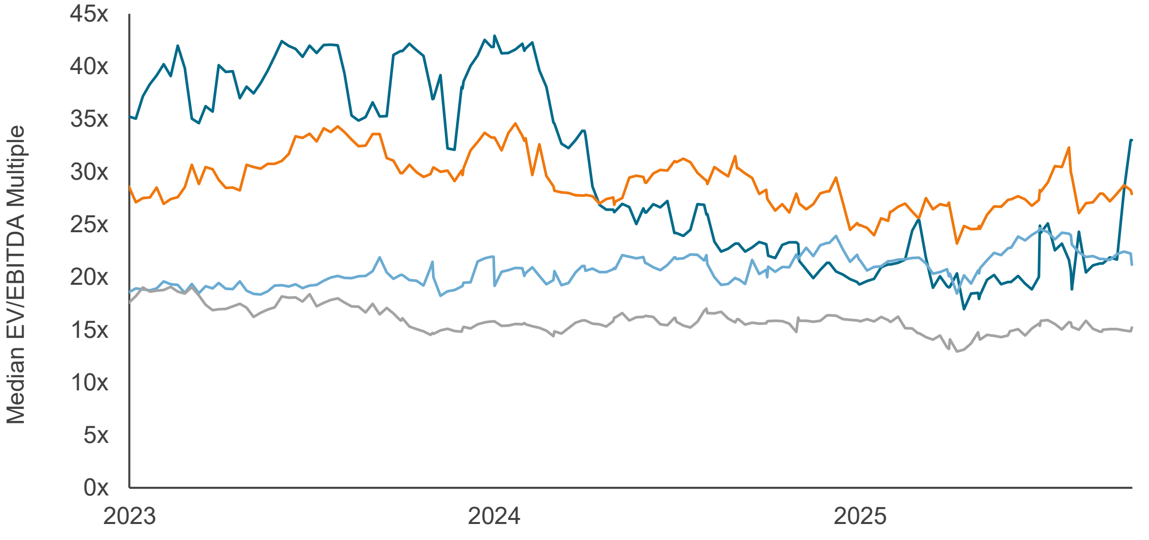
Within US vertical, Digimarc Corp. exemplified the pressure, with revenue down 23% YoY in Q2 2025 as AI-driven authenticity tools disrupted its legacy watermarking software. Gross margin contracted to 59% (from 66%) as the company increased investment to reposition its platform for AI-era content and product authentication, highlighting the near-term earnings drag facing smaller vertical SaaS names.

In the US, horizontal was the most resilient category. Zeta, an AI-powered martech software, evidenced this with a 22% increase in its multiple after strong results. YoY it grew revenues 35% to $305m, supported by rising enterprise adoption as marketing budgets shift toward AI-driven platforms leveraging proprietary datasets and real-time optimisation.[2]

Europe continued its longer-term upward trend, amid a steadier policy backdrop and solid performance across key DACH and Nordic names. Whilst it still trades at a notable discount to US peers, this gap has narrowed over time as investors increasingly view Europe as a more balanced entry point amid elevated US tech valuations.

Source: [1] Digimarc Corporation Q2 2025 Earnings Release [2] ZETA 2Q 25 Earnings Presentation

SOFTWARE CATEGORY VALUATION METRICS: MEDIAN EV / EBITDA MULTIPLES



US vertical 33.01x	US SaaS 27.88x	US horizontal 21.17x	Europe 15.22x
QoQ change			
33% ▲	-1% ▼	-14% ▼	-1% ▼
YoY change			
46% ▲	2% ▲	6% ▲	-4% ▼

On an EV/EBITDA basis US vertical software posted a sharp jump in valuations in Q3. However, it is worth noting the surge, was driven by changes to dataset constituents, such as companies returning to profitability, take privates, as well as new entrants. When isolating companies present in both periods, the movement aligns more closely with EV/Revenue trends, showing a ~20% decline that better reflects the group's muted underlying performance this quarter.

US SaaS EV/EBITDA valuations remained largely stable in Q3, supported by strong margins and cash generation across large-cap cloud vendors. Within this cohort, Oracle was a clear outlier. Its share price jumped ~40% in a single day after announcing expanded AI-cloud partnerships.[1] Oracle has long benefited from scale and enterprise relationships, but the recent surge reflected a shift in investor perception, from viewing Oracle as a mature incumbent to seeing it as a key enabler of AI infrastructure demand. The company's collaboration with OpenAI under the $300 billion "Stargate" project - a plan to develop roughly 4.5 GW of new AI data-centre capacity[2] - drove the narrative, positioning Oracle's cloud assets as direct beneficiaries of global AI compute investment.

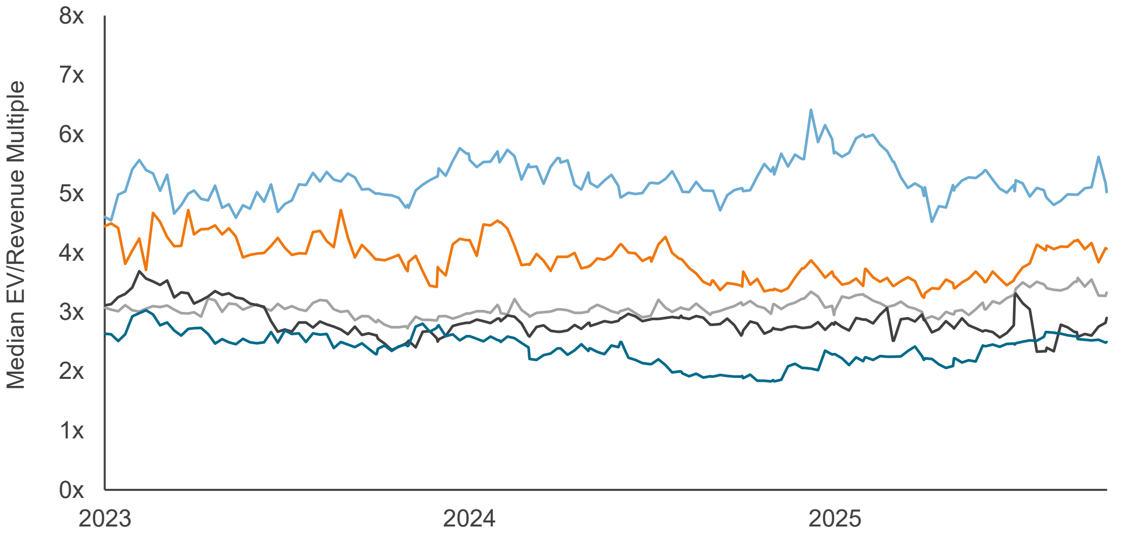
Source: [1] Reuters [2] Data Center Frontier

SECTION 2

Valuation multiples by region

Nordic growth continues as the US–Europe valuation gap narrows

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



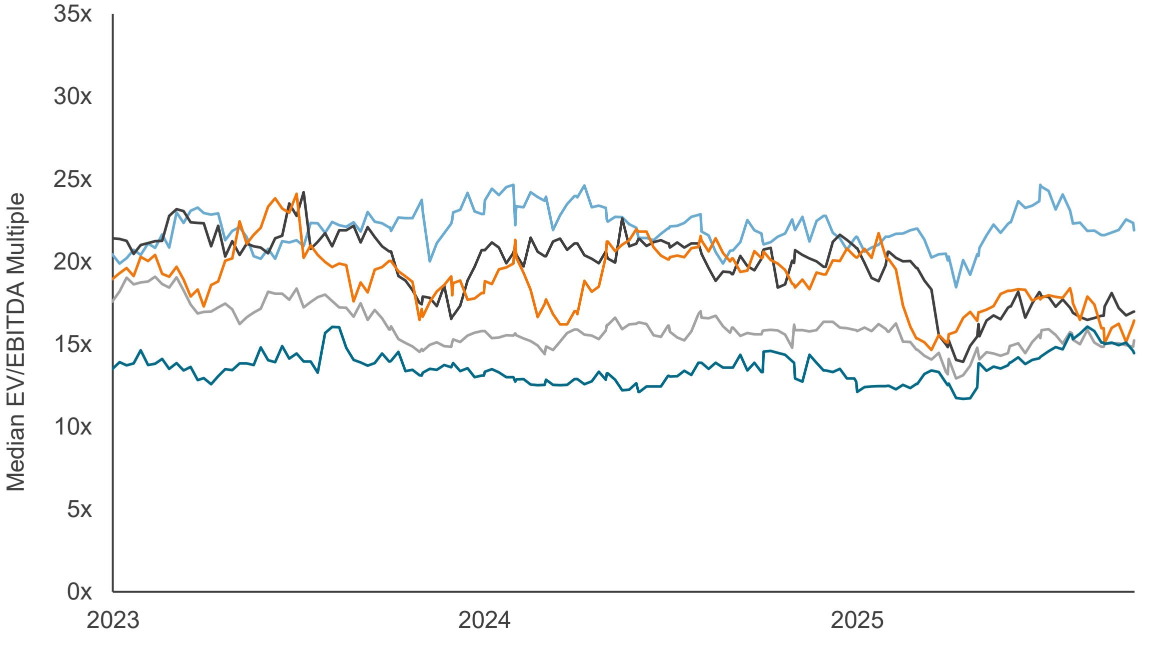
US	Europe	UK	DACH	NORDICS
5.02x	3.32x	2.90x	2.50x	4.07x
QoQ change				
0%	0%	-11% ▼	2% ▲	14% ▲
YoY change				
-1% ▼	7% ▲	10% ▲	30% ▲	19% ▲

Regional software valuations across Europe diverged in Q3, with strong gains across the Nordics offset by declines in the UK. The Nordics recorded the largest increase across our regions, supported by robust earnings momentum from several high-quality operators. The region also saw renewed PE activity, with Fortnox agreeing to a $5.5 billion take-private by EQT and First Kraft at a 38% premium to its share price, reflecting continued investor appetite for high-quality Nordic SaaS assets. The transaction is intended to accelerate growth through greater product expansion, and selective M&A, leveraging EQT's software scaling expertise.[1]

Whilst the Nordics led quarterly performance, the US continues to trade at a significant valuation premium, a gap likely to persist given US firms' superior access to large-scale AI investment and infrastructure. This advantage stems from the concentration of leading chipmakers, deeper capital markets, and the clustering of AI R&D, enabling US vendors to scale proprietary infrastructure materially faster than European peers.[2] That said, the gap has narrowed as capital has diversified toward Europe in response to stretched US valuations.

Source: [1] EQT [2] SVB

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



US	Europe	UK	DACH	NORDICS
21.89x	15.22x	16.97x	14.46x	16.44x
QoQ change				
-11% ▼	-1% ▼	-6% ▼	2% ▲	-7% ▼
YoY change				
3% ▲	-4% ▼	-18% ▼	9% ▲	-19% ▼

The US region recorded the largest QoQ decline in EV/EBITDA multiples, bringing the median down to 21.9x. Despite this, the US still holds a premium, and profitability across leading US software companies remains strong. ServiceNow trades at a meaningful premium to its US software peers with an EV/EBITDA of 75x, underscoring how much investors are willing to pay for its earnings power and growth outlook. The premium reflects expectations of continued durable subscription revenue growth of 20%, strong free cash flow, workflow automation, and platform expansion.[1]

Despite holding the lowest valuation of our regions, the DACH market was the only area to post gains on both a QoQ and YoY basis, demonstrating improving momentum. Temenos AG stood out, with its share price rising sharply over the quarter following strong Q2 results and renewed confidence in its cloud banking platform strategy. The company continues to benefit from structural demand for core banking modernisation and a growing pipeline providing AI-driven automation.[2] In contrast, the UK market remained subdued, weighed by continued uncertainty over the domestic growth outlook and investor caution ahead of the upcoming budget.[3]

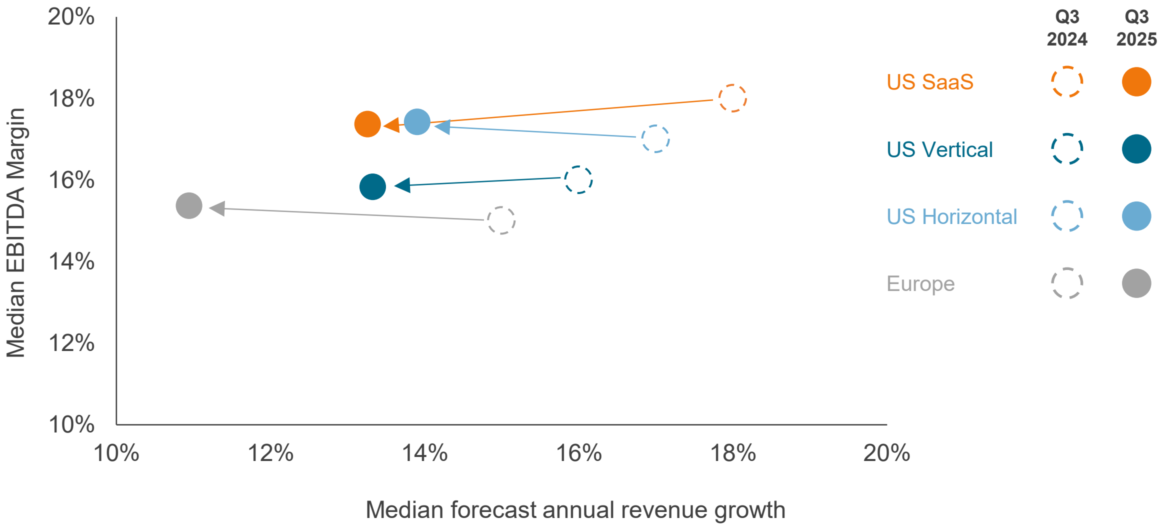
Source: [1] ServiceNow [2] Temenos Q2 2025 Results [3] Institute for Fiscal Studies

SECTION 3

Operating metrics

Growth forecasts continue to decline whilst margins hold stable

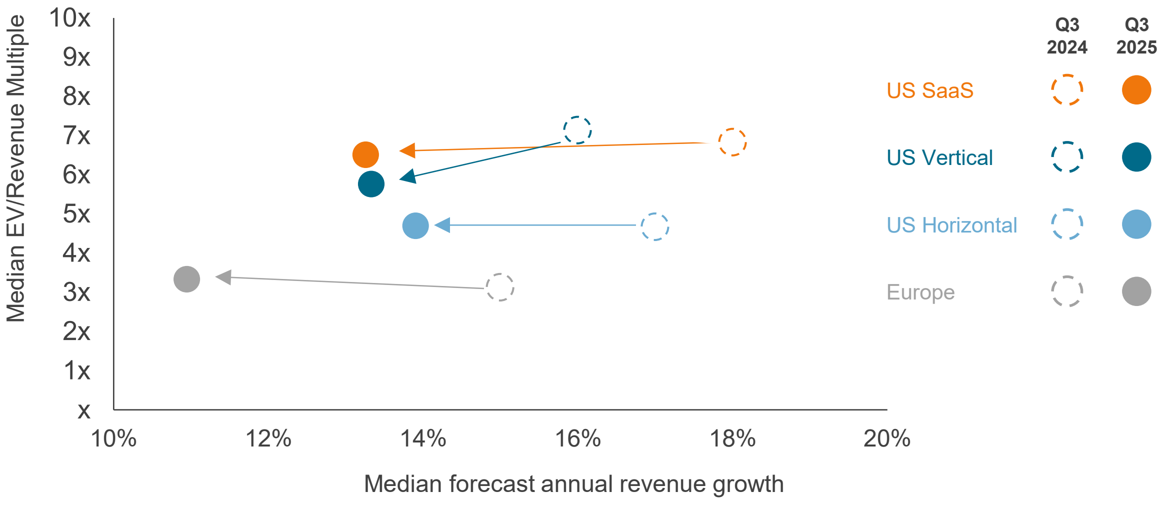
SOFTWARE CATEGORY OPERATING METRICS: EBITDA MARGIN vs REV GROWTH (F)



In Q3, forecast annual revenue growth moderated across most categories, reflecting a normalisation in demand following last year's expansionary phase. The US SaaS median declined 5%, while vertical and horizontal segments saw smaller pullbacks. Despite this, median EBITDA margins remained broadly flat across our categories.

US vertical experienced the sharpest multiple compression, reflecting ongoing investor caution around potential AI-driven disruption. In contrast, US SaaS and horizontal segments held broadly steady. European valuations were largely unchanged, maintaining a consistent discount to US peers.

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

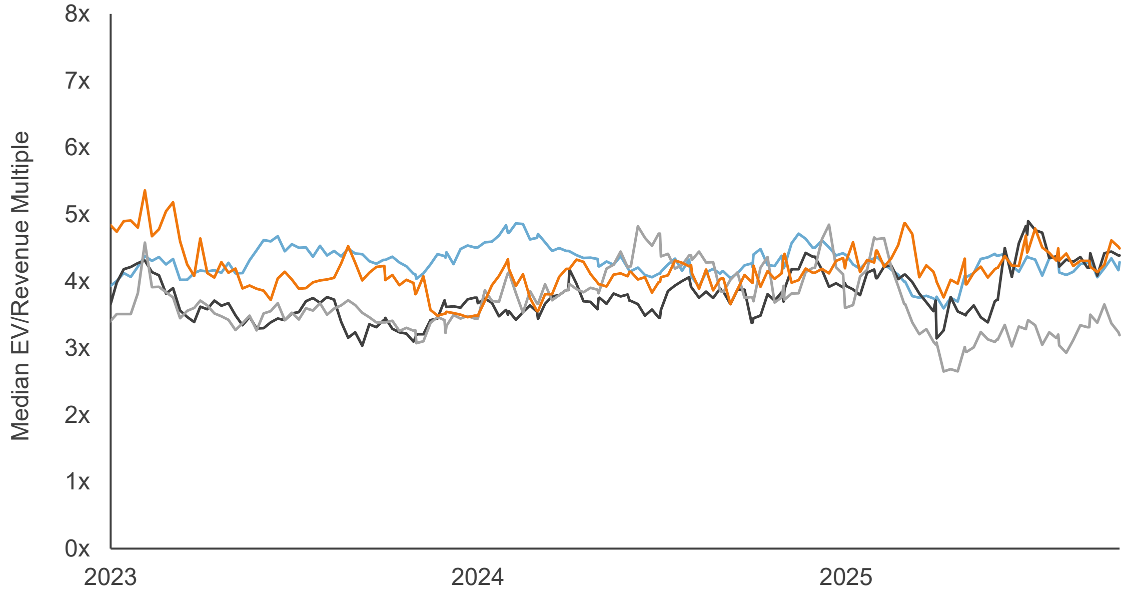


SECTION 4

Sector valuation multiples

Security software leads amid high profile cyber attacks

SOFTWARE SECTOR VALUATION METRICS: MEDIAN EV / REVENUE MULTIPLES



Security	Enterprise	Fintech	Media
4.49x	4.29x	4.39x	3.19x
QoQ change			
1% ▲	-2% ▼	-7% ▼	-5% ▼
YoY change			
13% ▲	2% ▲	30% ▲	-15% ▼

Security software valuations held steady despite broader market softness across our sectors, underscoring the sector's durable growth outlook. Valuations were supported by demand for AI-enabled threat detection, network protection, and a rise in high-profile enterprise cyber attacks that continue to elevate security spending priorities. Q3 also saw Netskope's IPO, which raised $908 million at a $7.3 billion valuation.[1] Shares climbed over 20% on debut and traded at 16.6x revenue at quarter-end, highlighting investor confidence in cloud-native security platforms and the growing need to secure AI workloads.

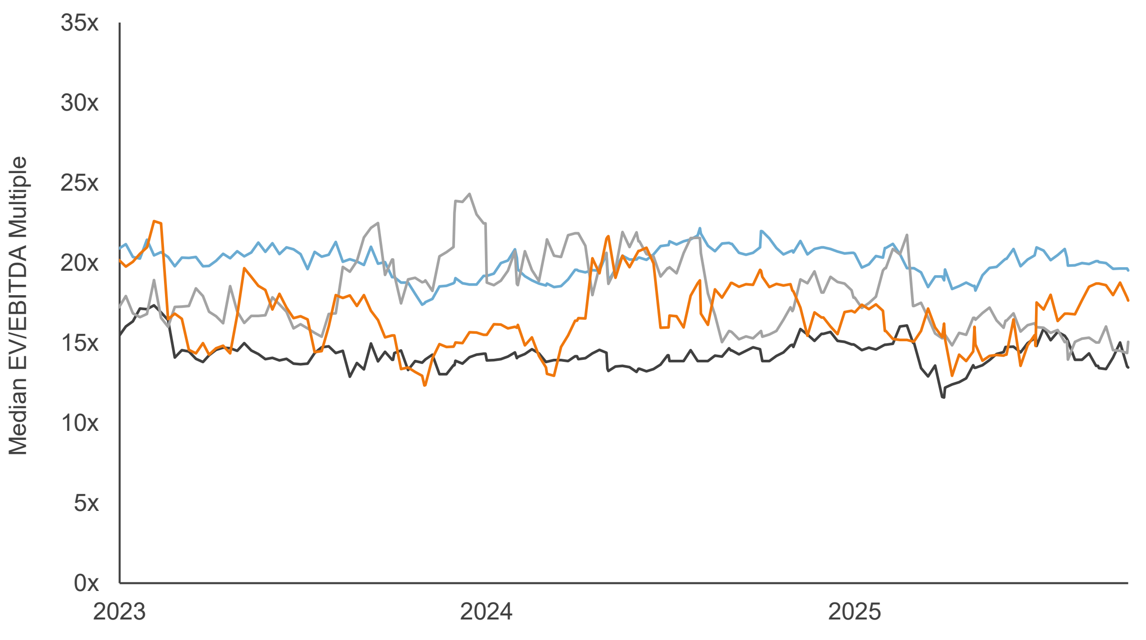
Fintech multiples remain on a longer-term upward trajectory despite falling QoQ, as the sector continues to benefit from steady transaction growth and improving regulatory clarity in digital payments. However, the quarter also highlighted the fragility of sentiment in the space. Fiserv's multiple fell 22% after narrowing its full-year revenue outlook and reporting softer growth in its merchant solutions business.[2] Despite solid underlying fundamentals, the stock sold off sharply, suggesting fintech valuations remain sensitive to execution and forward guidance.

Source: [1] CapIQ [2] Fiserv, Inc

On an EV/EBITDA basis, Security mirrored the strong revenue multiple gains, posting the largest increase this quarter. Enterprise software multiples fell QoQ, yet the category still commands the highest valuations. That premium stems from scale and margin durability with large-cap names such as ServiceNow and Agilysys trading above 75x EBITDA.

Agilysys has delivered consistent performance, reporting 16% revenue growth in FY2025 (FY end Q1 2025) and adjusted EBITDA of $53.8 million, with subscription and recurring revenue rising to 61.7% of total. In Q1 FY2026 (calendar Q2 2025), revenue grew 21% YoY, driven by a 44% increase in subscription revenue.[1] This sustained top-line and recurring revenue growth continues to justify its elevated valuation multiple despite broader market volatility.

SOFTWARE SECTOR VALUATION METRICS: MEDIAN EV / EBITDA MULTIPLES



Security 17.64x	Enterprise 19.52x	Fintech 13.46x	Media 15.07x
QoQ change			
19% ▲	-6% ▼	-13% ▼	-6% ▼
YoY change			
-10% ▼	-11% ▼	-6% ▼	-4% ▼

Source: [1] Agilysys, Q4 FY2025 and Q1 FY2026 Results

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 30/09/2025)

Europe (168)

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

US SaaS (70)

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

US vertical (43)

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

US horizontal (166)

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 30/09/2025)

Enterprise Software (157)

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

Fintech (59)

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 (53)

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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Helsing

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Intelligent workforce management platform

Sale to

ELMO

K1 Investment Management

US | US Apr 2025

mPower TECHNOLOGY

Satellite silicon solar cell technology

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RAZOR'S EDGE

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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

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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's global reach and deep sector expertise were invaluable in securing high-quality strategic investors. Their guidance helped us articulate our equity story to a sophisticated investor base, and we're grateful for their support in navigating this milestone transaction.

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