



Software as a Service

SaaS growth outlook higher, but valuations little changed

FIRST ANALYSIS QUARTERLY INSIGHT

Integrative insights on emerging opportunities

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 **First Analysis**

James Macdonald

Direct: 312-258-7124
jmacdonald@firstanalysis.com

Main: 312-258-1400
www.firstanalysis.com

First Analysis SaaS Team

Matthew Nicklin

Managing Director
mnicklin@firstanalysis.com
312-258-7181

James Macdonald

Managing Director
jmacdonald@firstanalysis.com
312-258-7124

Corey Greendale

Managing Director
cgreendale@firstanalysis.com
312-258-7139

Howard Smith

Managing Director
hsmith@firstanalysis.com
312-258-7117

Richard Conklin

Managing Director
rconklin@firstanalysis.com
312-258-7195

Andrew Walsh

Managing Director
awalsh@firstanalysis.com
312-258-7110

David Gearhart

Senior Vice President
dgearhart@firstanalysis.com
312-258-7128

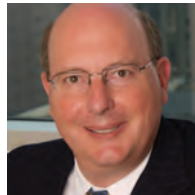
Terry Kiwala

Vice President
tkiwala@firstanalysis.com
312-258-7129

First Analysis

1 S. Wacker Dr., Suite 3900
Chicago, IL 60606
312-258-1400
www.firstanalysis.com

About the Author



James Macdonald

Jim Macdonald has over two decades of experience at First Analysis, working with entrepreneurs as an investor and as an advisor on growth transactions to help build leading software-as-a-service (SaaS) businesses. With his widely read "SaaS Quarterly Insights" report, he is a thought leader in the area, and his work has been cited for excellence in the Wall Street Journal's "Best on the Street" survey, in Forbes and in other publications. He supports First Analysis' investments in AmpliFund, Drive My Way, Freeosk, SynergySuite, Transformative Pharmaceutical Solutions, ViralGains and Yello. Prior to joining First Analysis in 1997, he was a general manager at Nalco Chemical, where he played a key role in expanding Nalco's service offering to include operating and leasing equipment at customer sites. This led to formation of a joint venture with U.S. Filter. Earlier, he was with a subsidiary of Ecolab. He earned an MBA from Harvard University and a bachelor's degree in civil engineering from Cornell University, where he also earned the university's highest award in that discipline.

About First Analysis

First Analysis has a four-decade record of serving emerging growth companies, established industry leaders and institutional investors in emerging high-growth segments in technology and healthcare, both through its venture capital investments and through First Analysis Securities Corp. (FASC), which provides investment banking and related services. FASC is a FINRA-registered broker-dealer and member SIPC. First Analysis' integrative research process underpins all its efforts, combining 1) dynamic investment research on thousands of companies with 2) thousands of relationships among executives, investors and other key participants in our focus areas, yielding a deep, comprehensive understanding of each sector's near-term and long-term potential.

SOFTWARE AS A SERVICE

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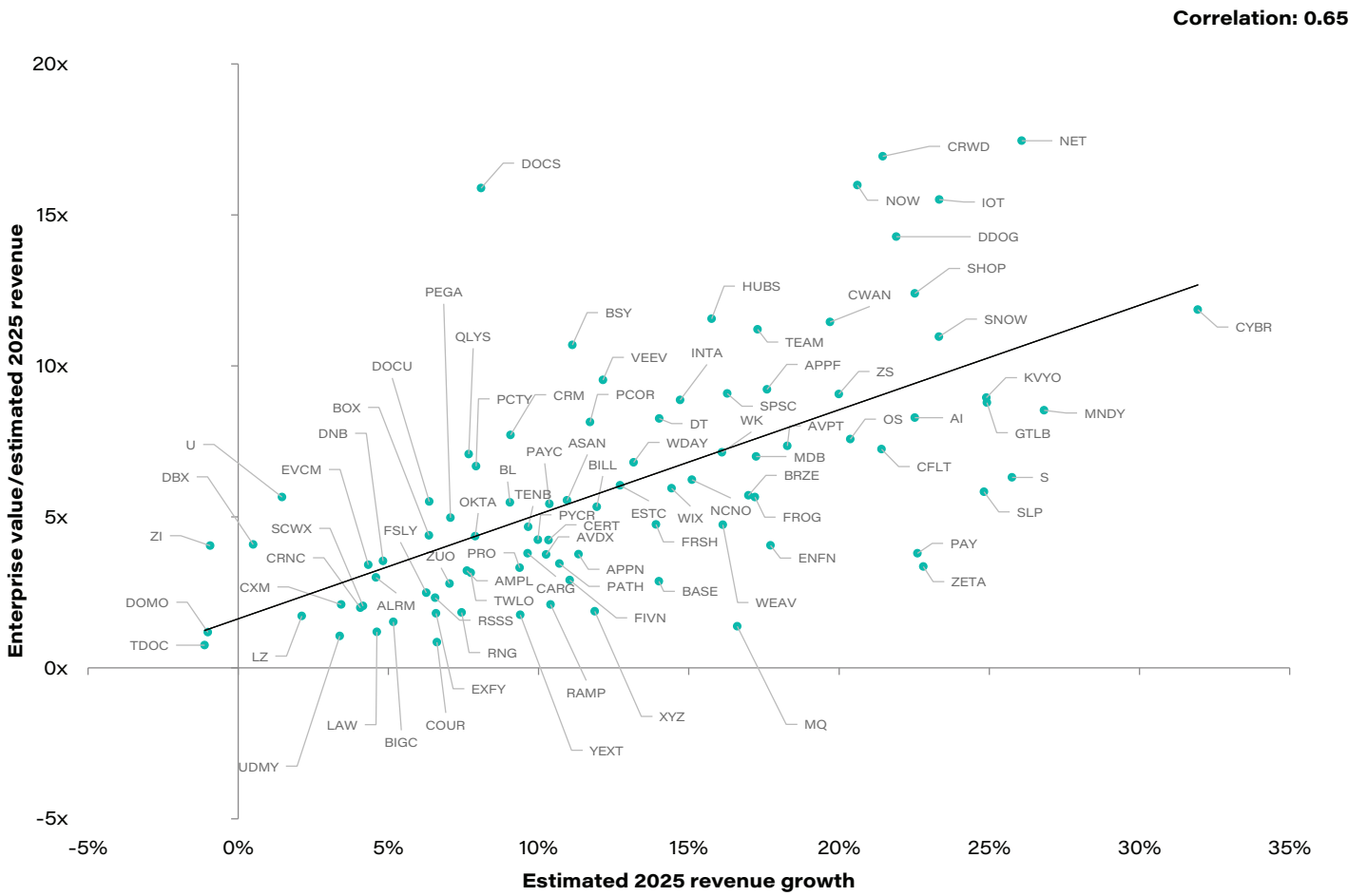
- Our SaaS universe's average enterprise value multiple of 2024 estimated revenue was 7.0 at the end of the December quarter, up from 6.8 last quarter. For 2025 estimated revenue, the average multiple was 6.0, flat from last quarter.
- Revenue growth in 2024 was expected to be 14.4% on average, up from 13.2% last quarter. In 2025, revenue was expected to grow 13.6% on average, up from 13.0% last quarter.
- Correlations between enterprise value multiples of revenue and revenue growth rates remained at or near longer-term normal levels, but the gap between valuations for small- and mid-capitalization companies and larger-capitalization companies increased slightly as six of the largest capitalization companies gained more on average than the overall universe.
- Our SaaS universe stocks appreciated 18.9% on average in the quarter, far ahead of the S&P 500's 2.1% gain. Merger and acquisition activity among the public companies focused on smaller names.

OVERVIEW OF OUR ANALYSIS

Our SaaS universe stocks gained 18.9% on average in the December quarter, significantly outperforming the 2.1% gain for the S&P 500, which continued to reach new highs. The strength was broad based, with 22 of the companies in our 93-stock universe (23.7%) gaining over 30%. Of the six largest market capitalization companies, only Shopify (SHOP) and Snowflake (SNOW) gained at that level; Shopify gained 32.7% while Snowflake bounced back 34.4% after dropping 15.0% in the September quarter. For the year, our SaaS universe gained 9.7%, trailing the S&P 500, which gained 22.9% as it benefitted from strength early in the year among the largest capitalization names.

Even with the December quarter's strong returns, stock picking was critical, with 23 companies (24.7%) declining in the quarter. Our SaaS universe's average enterprise value multiple of 2024 estimated revenue was 7.0 at the end of the quarter, up from 6.8 last quarter. For 2025, the average multiple was 6.0 revenue, flat from last quarter. Revenue growth in 2024 was expected by analysts to be 14.4% on average, up from 13.2% last quarter. For 2025, average revenue growth was expected to be 13.6%, up from 13.0% last quarter.

TABLE 2: Enterprise value/revenue versus estimated revenue growth 2025



Source: First Analysis, Capital IQ; as of Dec. 31, 2024.

Notes: Excludes AIOT and TTGT.

quarter but continued to be solid as shown in Tables 1 and 2. For 2024 estimated revenue, the correlation was 0.60, compared to 0.61 last quarter and excluding PowerFleet (AIOT) for both periods. For 2025, the correlation was 0.65, up from 0.58 and excluding Powerfleet and TechTarget (TTGT) in both periods. The gap between valuations for small- and mid-capitalization companies and larger-capitalization companies increased slightly as the six larger-cap names we have been chronicling – CrowdStrike (CRWD), Salesforce.com (CRM), ServiceNow (NOW), Shopify, Snowflake, and Workday (WDAY) – gained 22.6% on average versus the overall 18.9% gain for our entire universe.

All these six larger names still traded at or above the 2025 enterprise-value-multiple-to-growth trendline despite what we would expect to be their slowing long-term growth prospects given their size.

While many of the mid-cap SaaS companies gained over 30% in the quarter, joining the strong performance of the largest capitalization SaaS names (which could be viewed as mid-caps compared to the trillion-dollar-valuation companies that dominated the S&P 500 return in 2024), there is also a large segment of our SaaS universe that has not participated in the rally. We believe this is generally due to their small size or disappointing growth prospects.

TWO NEW M&A TRANSACTIONS

The December quarter saw two new transactions. As noted, billing and payments company Zuora (ZUO) agreed in October to be acquired by Silver Lake and GIC for \$1.7 billion (\$10 per share), or about 3.7 times estimated fiscal 2025 (January) revenue and 3.5 times estimated fiscal 2026 revenue, which assumed 7% revenue growth. Also, SecureWorks agreed to be acquired by Sophos in an all-cash transaction that valued the company at \$859 million, or 2.4 times trailing 12-month (August) revenue. Sophos, backed by private equity firm Thoma Bravo, is a leading provider of managed security services and end-to-end security products. These transactions brought the 2024 total to ten – around 10% of our SaaS universe.

We expect a similar or increased pace of merger and acquisition transactions in 2026, in part due to expectations of

eased government regulation under the new administration offset by higher valuations and interest rates. Already in 2025, we have seen two transactions announced. Paychex (PAYX) announced an agreement to buy Paycor HCM (PYCR), representing a consolidation of payroll companies that may have seen regulatory scrutiny under the prior administration. The \$4.1 billion price is 5.4 times estimated 2025 revenue. Also, investment management software provider Enfusion (ENFN) announced it agreed to be acquired by public competitor Clearwater Analytics (CWAN) for \$1.5 billion in cash and stock, or 6.3 times estimated 2025 revenue.

We are optimistic more SaaS companies will go public in 2025 after the successful December initial public offering of ServiceTitan (TTAN), which provides software that helps commercial and residential contractors run their businesses.

SaaS stocks trounced S&P 500 in Q4

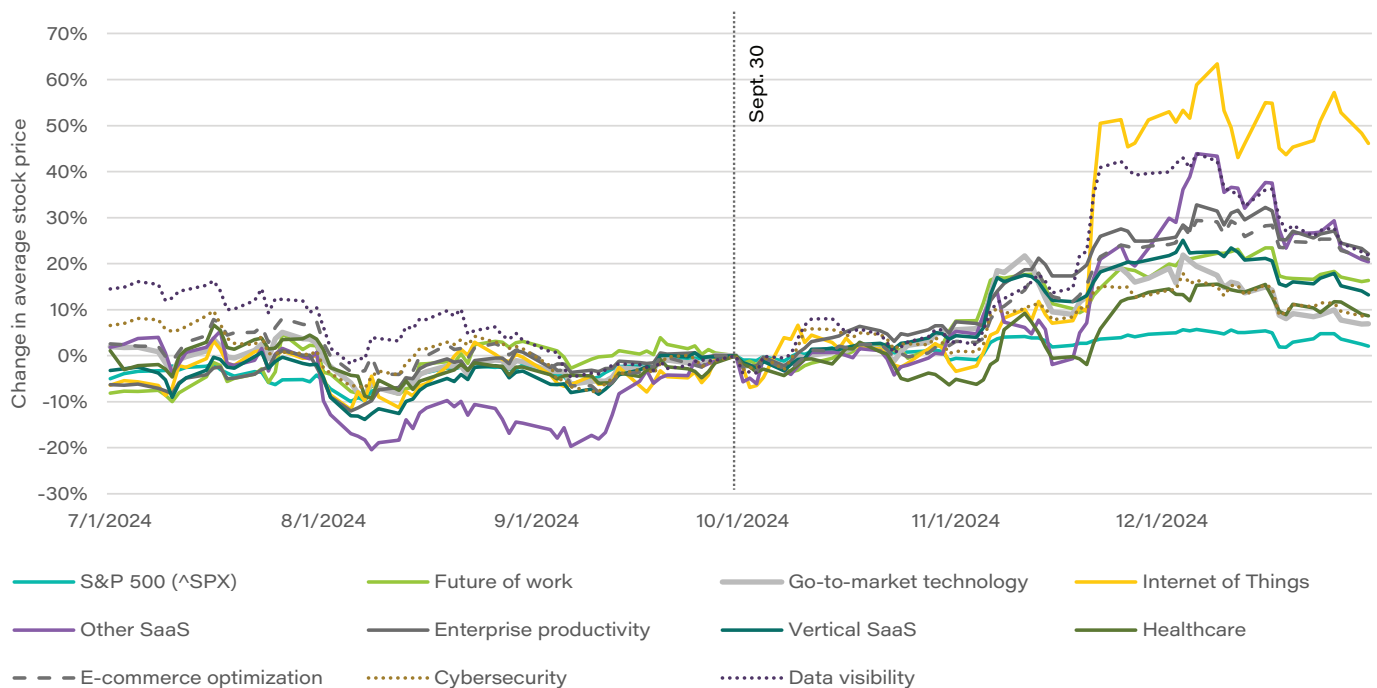
The average stock in our SaaS universe gained 18.9% in the December quarter, significantly outperforming the 2.1% gain for the S&P 500. Individual stock performance continued to be highly dependent on earnings results and growth guidance, among other factors.

The IoT group was again the best performer, gaining 46.1% on average this quarter mainly due to strength in Cerence (CRNC), which gained 149.2% (the greatest increase this quarter) as it became recognized for its artificial intelligence model for the automotive industry. Cerence traded as low as \$2.34 per share last summer, rose as high as \$27.50 last month when it announced a collaboration

with Nvidia (NVDA), and recently declined to low double digits.

The enterprise productivity group gained 22.1% on average with large gains in Asana (ASAN, up 74.9%), Expensify (EXFY, up 70.9%), Paymentus (PAY, up 63.2%), and BILL (BILL, up 60.6%), as the rally broadened to small- and mid-cap companies. Asana was the second largest gainer overall, likely the result of an unexpectedly strong earnings report and guidance. The go-to-market group was the laggard, gaining only 7.0% on average, but it still outperformed the S&P 500. Cybersecurity companies also lagged, gaining 8.4%, after many quarters of outperformance.

SaaS stock performance before and after Sept. 30, 2024*



Source: First Analysis, Capital IQ.

Notes: *For the period July 1, 2024, through Dec. 31, 2024.

Twenty-one companies now trade at enterprise value multiples of 2025 estimated revenue below 3, down from 29 last quarter. We view the decrease as an indication the rally in SaaS stocks broad-

ened. As we mentioned last quarter, gains for these stocks can be large if they become rediscovered, as occurred with Cerence this quarter.

SaaS stock quarterly performance

	9/29/23 price	12/29/23 price	3/28/24 price	6/28/24 price	9/30/24 price	12/31/24 price	Prior QTR change	Current QTR change
Data visibility								
AvePoint Inc. (AVPT)	\$6.72	\$8.21	\$7.92	\$10.42	\$11.77	\$16.51	13.0%	40.3%
C3 AI (AI)	\$25.52	\$28.71	\$27.07	\$28.96	\$24.23	\$34.43	(16.3%)	42.1%
Couchbase Inc. (BASE)	\$17.16	\$22.52	\$26.31	\$18.26	\$16.12	\$15.59	(11.7%)	(3.3%)
Datadog Inc. (DDOG)	\$91.09	\$121.38	\$123.60	\$129.69	\$115.06	\$142.89	(11.3%)	24.2%
Elastic N.V. (ESTC)	\$81.24	\$112.70	\$100.24	\$113.91	\$76.76	\$99.08	(32.6%)	29.1%
MongoDB Inc. (MDB)	\$345.86	\$408.85	\$358.64	\$249.96	\$270.35	\$232.81	8.2%	(13.9%)
Snowflake Inc. (SNOW)	\$152.77	\$199.00	\$161.60	\$135.09	\$114.86	\$154.41	(15.0%)	34.4%
						Average:	(9.4%)	21.8%
						Median:	(11.7%)	29.1%
Cybersecurity								
Cloudflare Inc. (NET)	\$63.04	\$83.26	\$96.83	\$82.83	\$80.89	\$107.68	(2.3%)	33.1%
CrowdStrike Holdings (CRWD)	\$167.38	\$255.32	\$320.59	\$383.19	\$280.47	\$342.16	(26.8%)	22.0%
CyberArk Software (CYBR)	\$163.77	\$219.05	\$265.63	\$273.42	\$291.61	\$333.15	6.7%	14.2%
Okta Inc. (OKTA)	\$81.51	\$90.53	\$104.62	\$93.61	\$74.34	\$78.80	(20.6%)	6.0%
Qualys Inc. (QLYS)	\$152.55	\$196.28	\$166.87	\$142.60	\$128.46	\$140.22	(9.9%)	9.2%
SecureWorks Corp. (SCWX)	\$6.21	\$7.38	\$6.72	\$7.00	\$8.85	\$8.46	26.4%	(4.4%)
SentinelOne Inc. (S)	\$16.86	\$27.44	\$23.31	\$21.05	\$23.92	\$22.20	13.6%	(7.2%)
Tenable Holdings Inc. (TENB)	\$44.80	\$46.06	\$49.43	\$43.58	\$40.52	\$39.38	(7.0%)	(2.8%)
Zscaler Inc. (ZS)	\$155.59	\$221.56	\$192.63	\$192.19	\$170.94	\$180.41	(11.1%)	5.5%
						Average:	(3.4%)	8.4%
						Median:	(7.0%)	6.0%
E-commerce optimization								
BigCommerce Inc. (BIGC)	\$9.87	\$9.73	\$6.89	\$8.06	\$5.85	\$6.12	(27.4%)	4.6%
Braze (BRZE)	\$46.73	\$53.13	\$44.30	\$38.84	\$32.34	\$41.88	(16.7%)	29.5%
Five9 Inc. (FIVN)	\$64.30	\$78.69	\$62.11	\$44.10	\$28.73	\$40.64	(34.9%)	41.5%
Klaviyo (KVYO)	\$34.50	\$27.78	\$25.48	\$24.89	\$35.38	\$41.24	42.1%	16.6%
LiveRamp Inc. (RAMP)	\$28.84	\$37.88	\$34.50	\$30.94	\$24.78	\$30.37	(19.9%)	22.6%
RingCentral Inc. (RNG)	\$29.63	\$33.95	\$34.74	\$28.20	\$31.63	\$35.01	12.2%	10.7%
Shopify Inc. (SHOP)	\$54.57	\$77.90	\$77.17	\$66.05	\$80.14	\$106.33	21.3%	32.7%
Sprinklr Inc. (CXM)	\$13.84	\$12.04	\$12.27	\$9.62	\$7.73	\$8.45	(19.6%)	9.3%
SPS Commerce Inc. (SPSC)	\$170.61	\$193.84	\$184.90	\$188.16	\$194.17	\$183.99	3.2%	(5.2%)
Twilio Inc. (TWLO)	\$58.53	\$75.87	\$61.15	\$56.81	\$65.22	\$108.08	14.8%	65.7%
Weave Communications (WEAV)	\$8.15	\$11.47	\$11.48	\$9.02	\$12.80	\$15.92	41.9%	24.4%
Wix.com Ltd. (WIX)	\$91.80	\$123.02	\$137.48	\$159.07	\$167.17	\$214.55	5.1%	28.3%
Yext Inc. (YEXT)	\$6.33	\$5.89	\$6.03	\$5.35	\$6.92	\$6.36	29.3%	(8.1%)
						Average:	4.0%	21.0%
						Median:	5.1%	22.6%

SaaS stock quarterly performance

	9/29/23 price	12/29/23 price	3/28/24 price	6/28/24 price	9/30/24 price	12/31/24 price	Prior QTR change	Current QTR change
Enterprise productivity								
Asana Inc. (ASAN)	\$18.31	\$19.01	\$15.49	\$13.99	\$11.59	\$20.27	(17.2%)	74.9%
Atlassian Corp. Plc (TEAM)	\$201.51	\$237.86	\$195.11	\$176.88	\$158.81	\$243.38	(10.2%)	53.3%
AvidXchange Inc. (AVDX)	\$9.48	\$12.39	\$13.15	\$12.06	\$8.11	\$10.34	(32.8%)	27.5%
Bentley Systems Inc. (BSY)	\$50.16	\$52.18	\$52.22	\$49.36	\$50.81	\$46.70	2.9%	(8.1%)
Bill.com Holdings Inc. (BILL)	\$108.57	\$81.59	\$68.72	\$52.62	\$52.76	\$84.71	0.3%	60.6%
BlackLine Inc. (BL)	\$55.47	\$62.44	\$64.58	\$48.45	\$55.14	\$60.76	13.8%	10.2%
Block Inc. (SQ)	\$44.26	\$77.35	\$84.58	\$64.49	\$67.13	\$84.99	4.1%	26.6%
Box Inc. (BOX)	\$24.21	\$25.61	\$28.32	\$26.44	\$32.73	\$31.60	23.8%	(3.5%)
Clearwater Analytics Inc. (CWAN)	\$19.34	\$20.03	\$17.69	\$18.52	\$25.25	\$27.52	36.3%	9.0%
DocuSign Inc. (DOCU)	\$42.00	\$59.45	\$59.55	\$53.50	\$62.09	\$89.94	16.1%	44.9%
Dropbox Inc. (DBX)	\$27.23	\$29.48	\$24.30	\$22.47	\$25.43	\$30.04	13.2%	18.1%
Dynatrace Inc. (DT)	\$46.73	\$54.69	\$46.44	\$44.74	\$53.47	\$54.35	19.5%	1.6%
Expensify Inc. (EXFY)	\$3.25	\$2.47	\$1.84	\$1.49	\$1.96	\$3.35	31.5%	70.9%
GitLab Inc. (GTLB)	\$45.22	\$62.96	\$58.32	\$49.72	\$51.54	\$56.35	3.7%	9.3%
JFrog Ltd. (FROG)	\$25.36	\$34.61	\$44.22	\$37.55	\$29.04	\$29.41	(22.7%)	1.3%
Marqeta Inc. (MQ)	\$5.98	\$6.98	\$5.96	\$5.48	\$4.92	\$3.79	(10.2%)	(23.0%)
monday.com Ltd. (MNDY)	\$159.22	\$187.81	\$225.87	\$240.76	\$277.77	\$235.44	15.4%	(15.2%)
OneStream (OS)	\$-	\$-	\$-	\$-	\$33.90	\$28.52	NA	(15.9%)
Paymentus Inc. (PAY)	\$16.60	\$17.87	\$22.75	\$19.00	\$20.02	\$32.67	5.4%	63.2%
Pegasystems Inc. (PEGA)	\$43.41	\$48.86	\$64.64	\$60.53	\$73.09	\$93.20	20.8%	27.5%
Workiva Inc. (WK)	\$101.34	\$101.53	\$84.80	\$72.99	\$79.12	\$109.50	8.4%	38.4%
Zuora Inc. (ZUO)	\$8.24	\$9.40	\$9.12	\$9.93	\$8.62	\$9.92	(13.2%)	15.1%
							Average:	5.2%
							Median:	16.6%
Future of work								
Coursera Inc. (COUR)	\$18.69	\$19.37	\$14.02	\$7.16	\$7.94	\$8.50	10.9%	7.1%
Paycom Software Inc. (PAYC)	\$259.27	\$206.72	\$199.01	\$143.04	\$166.57	\$204.97	16.4%	23.1%
Paycor Inc. (PYCR)	\$22.83	\$21.59	\$19.44	\$12.70	\$14.19	\$18.57	11.7%	30.9%
Paylocity Holding Corp. (PCTY)	\$181.70	\$164.85	\$171.86	\$131.85	\$164.97	\$199.47	25.1%	20.9%
Udemy Inc. (UDMY)	\$9.50	\$14.73	\$10.98	\$8.63	\$7.44	\$8.23	(13.8%)	10.6%
Workday Inc. (WDAY)	\$214.85	\$276.06	\$272.75	\$223.56	\$244.41	\$258.03	9.3%	5.6%
							Average:	10.0%
							Median:	16.3%
Go-to-market technology								
Amplitude Inc. (AMPL)	\$11.57	\$12.72	\$10.88	\$8.90	\$8.97	\$10.55	0.8%	17.6%
Appian Corp. (APPN)	\$45.61	\$37.66	\$39.95	\$30.86	\$34.14	\$32.98	10.6%	(3.4%)
Domo Inc. (DOMO)	\$9.81	\$10.29	\$8.92	\$7.72	\$7.51	\$7.08	(2.7%)	(5.7%)
Dun & Bradstreet Inc. (DNB)	\$9.99	\$11.70	\$10.04	\$9.26	\$11.51	\$12.46	24.3%	8.3%
Freshworks Inc. (FRSH)	\$19.92	\$23.49	\$18.21	\$12.69	\$11.48	\$16.17	(9.5%)	40.9%
HubSpot Inc. (HUBS)	\$492.50	\$580.54	\$626.56	\$589.79	\$531.60	\$696.77	(9.9%)	31.1%
PROS Inc. (PRO)	\$34.62	\$38.79	\$36.33	\$28.65	\$18.52	\$21.96	(35.4%)	18.6%
Salesforce Inc. (CRM)	\$202.78	\$263.14	\$301.18	\$257.10	\$273.71	\$334.33	6.5%	22.1%
ServiceNow Inc. (NOW)	\$558.96	\$706.49	\$762.40	\$786.67	\$894.39	\$1,060.12	13.7%	18.5%

SaaS stock quarterly performance

	9/29/23 price	12/29/23 price	3/28/24 price	6/28/24 price	9/30/24 price	12/31/24 price	Prior QTR change	Current QTR change
TechTarget Inc. (TTGT)	\$30.36	\$34.86	\$33.08	\$31.17	\$24.45	\$19.82	(21.6%)	(18.9%)
UiPath Inc. (PATH)	\$17.11	\$24.84	\$22.67	\$12.68	\$12.80	\$12.71	0.9%	(0.7%)
Zeta Global Corp. (ZETA)	\$8.35	\$8.82	\$10.93	\$17.65	\$29.83	\$17.99	69.0%	(39.7%)
ZoomInfo Technologies Inc. (ZI)	\$16.40	\$18.49	\$16.03	\$12.77	\$10.32	\$10.51	(19.2%)	1.8%
						Average:	2.1%	7.0%
						Median:	0.8%	8.3%
Healthcare								
Certara Inc. (CERT)	\$14.54	\$17.59	\$17.88	\$13.85	\$11.71	\$10.65	(15.5%)	(9.1%)
Doximity Inc. (DOCS)	\$21.22	\$28.04	\$26.91	\$27.97	\$43.57	\$53.39	55.8%	22.5%
Research Solutions (RSSS)	\$2.50	\$2.60	\$3.16	\$2.55	\$2.73	\$4.15	71%	52.0%
Simulations Plus Inc. (SLP)	\$41.70	\$44.75	\$41.15	\$48.62	\$32.02	\$27.89	(34.1%)	(12.9%)
Teladoc Health Inc. (TDOC)	\$18.59	\$21.55	\$15.10	\$9.78	\$9.18	\$9.09	(6.1%)	(1.0%)
Veeva Systems Inc. (VEEV)	\$203.45	\$192.52	\$231.69	\$183.01	\$209.87	\$210.25	14.7%	0.2%
						Average:	3.6%	8.6%
						Median:	0.5%	(0.4%)
Internet of Things								
Alarm.com Holdings (ALRM)	\$61.14	\$64.62	\$72.47	\$63.54	\$54.67	\$60.80	(14.0%)	11.2%
Cerence Inc. (CRNC)	\$20.37	\$19.66	\$15.75	\$2.83	\$3.15	\$7.85	11.3%	149.2%
PowerFleet (PWFL)	\$2.07	\$3.42	\$5.34	\$4.57	\$5.00	\$6.66	9.4%	33.2%
Samsara Inc. (IOT)	\$25.21	\$33.38	\$37.79	\$33.70	\$48.12	\$43.69	42.8%	(9.2%)
						Average:	12.4%	46.1%
						Median:	10.4%	22.2%
Other SaaS								
Confluent Inc. (CFLT)	\$29.61	\$23.40	\$30.52	\$29.53	\$20.38	\$27.96	(31.0%)	37.2%
Fastly Inc. (FSLY)	\$19.17	\$17.80	\$12.97	\$7.37	\$7.57	\$9.44	2.7%	24.7%
Unity Software Inc. (U)	\$31.39	\$40.89	\$26.70	\$16.26	\$22.62	\$22.47	39.1%	(0.7%)
						Average:	3.6%	20.4%
						Median:	2.7%	24.7%
Vertical SaaS								
AppFolio Inc. (APPF)	\$182.63	\$173.24	\$246.74	\$244.57	\$235.40	\$246.72	(3.7%)	4.8%
CarGurus Inc. (CARG)	\$17.52	\$24.16	\$23.08	\$26.20	\$30.03	\$36.54	14.6%	21.7%
CS Disco Inc. (LAW)	\$6.64	\$7.59	\$8.13	\$5.96	\$5.88	\$4.99	(1.3%)	(15.1%)
Enfusion Inc. (ENFN)	\$8.97	\$9.70	\$9.25	\$8.52	\$9.49	\$10.30	11.4%	8.5%
EverCommerce Inc. (EVCM)	\$10.03	\$11.03	\$9.42	\$10.98	\$10.36	\$11.01	(5.6%)	6.3%
Intapp Inc. (INTA)	\$33.52	\$38.02	\$34.30	\$36.67	\$47.83	\$64.09	30.4%	34.0%
LegalZoom.com Inc. (LZ)	\$10.94	\$11.30	\$13.34	\$8.39	\$6.35	\$7.51	(24.3%)	18.3%
nCino Inc. (NCNO)	\$31.80	\$33.63	\$37.38	\$31.45	\$31.59	\$33.58	0.4%	6.3%
Procore Technologies Inc. (PCOR)	\$65.32	\$69.22	\$82.17	\$66.31	\$61.72	\$74.93	(6.9%)	21.4%
Q2 Inc. (QTWO)	\$32.27	\$43.41	\$52.56	\$60.33	\$79.77	\$100.65	32.2%	26.2%
						Average:	4.7%	13.2%
						Median:	(0.4%)	13.4%

SaaS stock quarterly performance

	9/29/23 price	12/29/23 price	3/28/24 price	6/28/24 price	9/30/24 price	12/31/24 price	Prior QTR change	Current QTR change
Overall SaaS group							Average:	3.2%
							Median:	15.8%
S&P 500 (SPX)	4,288.05	4,769.83	5,254.35	5,460.48	5,762.48	5,881.63	5.53%	2.07%

Source: Capital IQ, First Analysis.

SaaS public comparables

(\$ in millions)

Company	Revenue growth					Enterprise value /			
	LTM revenue	2023A- 2024E	2024E -2025E	LTM gross margin	LTM EBITDA margin	Revenue		EBITDA ¹	
						2024E	2025E	2024E	2025E
Data visibility									
AvePoint Inc. (AVPT)	\$315.9	21.2%	18.3%	74.6%	2.7%	8.69x	7.35x	NMF	NMF
C3 AI (AI)	\$346.5	23.5%	22.5%	59.7%	(87.0%)	10.16x	8.29x	NMF	NMF
Couchbase Inc. (BASE)	\$204.6	15.4%	14.0%	88.3%	(39.0%)	3.27x	2.87x	NMF	NMF
Datadog Inc. (DDOG)	\$2,536.2	25.0%	21.9%	81.2%	4.6%	17.41x	14.28x	NMF	NMF
Elastic N.V. (ESTC)	\$1,375.7	16.9%	12.7%	74.1%	(6.5%)	6.82x	6.05x	NMF	NMF
MongoDB Inc. (MDB)	\$1,916.0	17.6%	17.2%	73.9%	(13.0%)	8.20x	7.00x	NMF	NMF
Snowflake Inc. (SNOW)	\$3,414.3	27.8%	23.3%	67.3%	(35.5%)	13.53x	10.97x	NMF	NMF
Cybersecurity									
Cloudflare Inc. (NET)	\$1,572.2	28.2%	26.1%	77.5%	(2.8%)	22.01x	17.46x	NMF	NMF
CrowdStrike Holdings (CRWD)	\$3,740.4	28.6%	21.5%	75.2%	3.7%	20.57x	16.94x	NMF	NMF
CyberArk Software (CYBR)	\$909.5	31.3%	31.9%	81.1%	(3.6%)	15.66x	11.87x	NMF	NMF
Okta Inc. (OKTA)	\$2,533.0	14.8%	7.9%	76.1%	(2.1%)	4.70x	4.36x	20.8x	19.5x
Qualys Inc. (QLYS)	\$593.0	9.1%	7.7%	81.5%	33.6%	7.62x	7.07x	16.9x	16.3x
SecureWorks Corp. (SCWX)	\$339.7	(9.8%)	4.2%	66.8%	(8.1%)	2.13x	2.05x	19.1x	20.1x
SentinelOne Inc. (S)	\$770.1	31.7%	25.8%	73.6%	(37.8%)	7.94x	6.31x	NMF	NMF
Tenable Holdings Inc. (TENB)	\$877.6	12.2%	9.7%	77.5%	1.7%	5.13x	4.67x	24.4x	20.2x
Zscaler Inc. (ZS)	\$2,299.0	27.1%	20.0%	78.0%	(3.0%)	10.88x	9.07x	NMF	NMF
E-commerce optimization									
BigCommerce Inc. (BIGC)	\$330.0	7.6%	5.2%	76.7%	(5.5%)	1.60x	1.52x	25.9x	17.2x
Braze (BRZE)	\$564.0	24.8%	17.0%	68.6%	(23.0%)	6.68x	5.71x	NMF	NMF
Five9 Inc. (FIVN)	\$1,002.3	13.2%	11.0%	53.6%	(0.4%)	3.23x	2.91x	17.6x	14.9x
Klaviyo (KVYO)	\$868.9	32.4%	24.9%	77.6%	(8.4%)	11.18x	8.95x	NMF	NMF
LiveRamp Inc. (RAMP)	\$707.2	13.7%	10.4%	72.3%	3.6%	2.31x	2.09x	13.4x	10.4x
RingCentral Inc. (RNG)	\$2,357.2	8.9%	7.4%	70.4%	8.1%	1.97x	1.83x	8.0x	7.1x
Shopify Inc. (SHOP)	\$8,212.0	24.6%	22.5%	50.9%	13.6%	15.20x	12.40x	NMF	NMF
Sprinklr Inc. (CXM)	\$788.1	8.5%	3.4%	73.3%	4.7%	2.17x	2.10x	18.2x	13.9x
SPS Commerce Inc. (SPSC)	\$611.8	18.5%	16.3%	66.6%	20.7%	10.56x	9.08x	NMF	30.6x
Twilio Inc. (TWLO)	\$4,339.2	6.5%	7.7%	50.9%	2.7%	3.39x	3.15x	17.8x	16.0x
Weave Communications (WEAV)	\$195.8	19.1%	16.1%	70.7%	(11.2%)	5.50x	4.74x	NMF	NMF
Wix.com Ltd. (WIX)	\$1,704.0	12.9%	14.4%	67.9%	5.8%	6.81x	5.95x	32.2x	24.3x
Yext Inc. (YEXT)	\$409.0	4.0%	9.4%	77.6%	(2.5%)	1.93x	1.76x	12.0x	7.7x

SaaS public comparables

(\$ in millions)

Company	Revenue growth					Enterprise value /			
	LTM revenue	2023A-2024E	2024E-2025E	LTM gross margin	LTM EBITDA margin	Revenue		EBITDA ¹	
						2024E	2025E	2024E	2025E
Enterprise productivity									
Asana Inc. (ASAN)	\$706.7	10.9%	10.9%	89.4%	(36.4%)	6.16x	5.55x	NMF	NMF
Atlassian Corp. Plc (TEAM)	\$4,568.6	22.0%	17.3%	81.5%	(1.0%)	13.14x	11.21x	NMF	NMF
AvidXchange Inc. (AVDX)	\$427.6	15.1%	10.2%	71.5%	6.6%	4.14x	3.75x	22.9x	17.8x
Bentley Systems Inc. (BSY)	\$1,313.9	10.3%	11.1%	80.8%	26.6%	11.88x	10.69x	34.0x	29.5x
Bill.com Holdings Inc. (BILL)	\$1,343.6	16.2%	11.9%	85.2%	(0.6%)	5.97x	5.34x	31.6x	NMF
BlackLine Inc. (BL)	\$639.6	10.5%	9.0%	75.3%	9.4%	5.98x	5.48x	24.2x	21.7x
Block Inc. (SQ)	\$23,861.5	11.3%	11.9%	36.4%	5.3%	2.10x	1.88x	17.1x	13.8x
Box Inc. (BOX)	\$1,073.5	5.0%	6.4%	78.4%	8.8%	4.67x	4.39x	15.7x	13.7x
Clearwater Analytics Inc. (CWAN)	\$424.4	21.1%	19.7%	72.2%	9.8%	13.70x	11.45x	NMF	33.7x
DocuSign Inc. (DOCU)	\$2,912.9	7.2%	6.4%	80.2%	8.0%	5.86x	5.51x	17.9x	15.9x
Dropbox Inc. (DBX)	\$2,539.6	1.7%	0.5%	82.3%	24.1%	4.10x	4.08x	9.8x	9.5x
Dynatrace Inc. (DT)	\$1,563.3	19.1%	14.0%	82.4%	12.2%	9.41x	8.26x	32.1x	28.4x
Expensify Inc. (EXFY)	\$137.4	(8.3%)	6.6%	54.5%	(4.5%)	1.92x	1.80x	7.2x	6.8x
GitLab Inc. (GTLB)	\$711.6	30.0%	24.9%	89.0%	(20.8%)	10.97x	8.78x	NMF	NMF
JFrog Ltd. (FROG)	\$409.7	21.9%	17.2%	78.0%	(14.2%)	6.63x	5.66x	NMF	NMF
Marqeta Inc. (MQ)	\$490.0	(25.5%)	16.6%	68.7%	(5.9%)	1.60x	1.37x	33.2x	17.3x
monday.com Ltd. (MNDY)	\$906.6	32.3%	26.8%	89.5%	(2.6%)	10.81x	8.53x	NMF	NMF
OneStream (OS)	\$459.5	29.4%	20.4%	63.9%	(58.5%)	9.12x	7.58x	NMF	NMF
Paymentus Inc. (PAY)	\$778.7	36.3%	22.6%	28.5%	6.3%	4.65x	3.79x	NMF	34.2x
Pegasystems Inc. (PEGA)	\$1,480.6	3.1%	7.1%	74.4%	12.8%	5.33x	4.98x	24.3x	20.9x
Workiva Inc. (WK)	\$705.4	16.5%	16.1%	76.7%	(5.1%)	8.28x	7.13x	NMF	NMF
Zuora Inc. (ZUO)	\$452.8	6.4%	7.0%	69.5%	(3.1%)	2.99x	2.79x	12.4x	11.6x
Future of work									
Coursera Inc. (COUR)	\$684.4	8.8%	6.6%	53.4%	(14.3%)	0.91x	0.85x	16.7x	11.4x
Paycom Software Inc. (PAYC)	\$1,823.9	10.5%	10.4%	85.6%	36.6%	5.99x	5.43x	15.0x	13.6x
Paycor Inc. (PYCR)	\$678.8	15.2%	10.0%	66.0%	8.8%	4.67x	4.25x	13.6x	12.5x
Paylocity Holding Corp. (PCTY)	\$1,447.9	15.2%	7.9%	68.7%	21.4%	7.20x	6.67x	20.0x	19.4x
Udemy Inc. (UDMY)	\$776.2	7.2%	3.4%	61.1%	(11.0%)	1.10x	1.06x	24.3x	12.2x
Workday Inc. (WDAY)	\$8,157.0	16.0%	13.2%	75.6%	8.9%	7.70x	6.81x	26.5x	22.1x
Go-to-market technology									
Amplitude Inc. (AMPL)	\$292.5	7.8%	7.6%	74.2%	(30.9%)	3.46x	3.22x	NMF	NMF
Appian Corp. (APPN)	\$595.7	12.7%	11.3%	75.3%	(10.9%)	4.20x	3.77x	NMF	NMF
Domo Inc. (DOMO)	\$318.5	(0.8%)	(1.0%)	74.9%	(18.4%)	1.17x	1.18x	NMF	NMF
Dun & Bradstreet Inc. (DNB)	\$2,380.2	4.1%	4.8%	63.7%	26.4%	3.71x	3.54x	9.5x	8.9x
Freshworks Inc. (FRSH)	\$686.0	19.9%	13.9%	83.8%	(21.0%)	5.41x	4.75x	NMF	25.9x
HubSpot Inc. (HUBS)	\$2,506.3	19.7%	15.8%	84.7%	(2.3%)	13.39x	11.57x	NMF	NMF
PROS Inc. (PRO)	\$322.9	8.7%	9.4%	64.5%	(6.0%)	3.63x	3.32x	NMF	33.1x
Salesforce Inc. (CRM)	\$37,189.0	8.9%	9.1%	76.9%	25.7%	8.42x	7.72x	22.6x	20.5x
ServiceNow Inc. (NOW)	\$10,464.0	22.4%	20.6%	79.2%	17.4%	19.29x	15.99x	NMF	NMF
TechTarget Inc. (TTGT)	\$260.8	(9.0%)	66.7%	60.3%	8.0%	8.50x	5.10x	30.4x	20.1x
UiPath Inc (PATH)	\$1,411.3	9.4%	10.7%	83.4%	(10.5%)	3.82x	3.45x	23.2x	19.7x
Zeta Global Corp. (ZETA)	\$901.4	35.3%	22.8%	60.3%	(8.2%)	4.12x	3.35x	21.5x	16.8x

SaaS public comparables

(\$ in millions)

Company	Revenue growth					Enterprise value /				
	LTM revenue	2023A-2024E	2024E-2025E	LTM gross margin	LTM EBITDA margin	Revenue		EBITDA ¹		
						2024E	2025E	2024E	2025E	
ZoomInfo Technologies Inc. (ZI)	\$1,221.6	(3.0%)	(0.9%)	88.3%	20.0%	4.01x	4.05x	10.7x	10.2x	
Healthcare										
Certara Inc. (CERT)	\$372.8	8.1%	10.3%	59.7%	21.2%	4.67x	4.24x	14.7x	13.2x	
Doximity Inc. (DOCS)	\$516.8	14.1%	8.1%	89.9%	40.2%	17.18x	15.89x	32.5x	31.5x	
Research Solutions (RSSS)	\$46.6	18.3%	6.6%	45.9%	4.4%	2.48x	2.32x	25.5x	19.5x	
Simulations Plus Inc. (SLP)	\$74.4	19.7%	24.8%	58.5%	15.7%	7.28x	5.83x	25.5x	17.5x	
Teladoc Health Inc. (TDOC)	\$2,589.6	(1.3%)	(1.1%)	70.8%	2.6%	0.74x	0.75x	6.0x	5.9x	
Veeva Systems Inc. (VEEV)	\$2,656.4	15.3%	12.1%	73.9%	25.7%	10.70x	9.54x	25.5x	22.8x	
Internet of Things										
Alarm.com Holdings (ALRM)	\$923.8	6.1%	4.6%	65.0%	13.1%	3.13x	3.00x	16.7x	15.4x	
Cerence Inc. (CRNC)	\$331.5	(30.6%)	4.1%	73.7%	16.4%	2.07x	1.99x	NMF	15.9x	
PowerFleet (PWFL)	\$221.1	113.6%	48.2%	51.0%	1.4%	3.54x	2.39x	23.0x	9.3x	
Samsara Inc. (IOT)	\$1,179.2	32.1%	23.3%	75.7%	(17.5%)	19.13x	15.51x	NMF	NMF	
Other SaaS										
Confluent Inc. (CFLT)	\$915.6	23.2%	21.4%	73.2%	(38.7%)	8.80x	7.25x	NMF	NMF	
Fastly Inc. (FSLY)	\$540.9	7.0%	6.3%	54.8%	(18.9%)	2.64x	2.48x	NMF	28.3x	
Unity Software Inc. (U)	\$1,965.4	(18.3%)	1.5%	69.6%	(3.9%)	5.74x	5.65x	27.8x	26.1x	
Vertical SaaS										
AppFolio Inc. (APPF)	\$762.4	27.4%	17.6%	65.0%	19.2%	10.84x	9.22x	NMF	30.9x	
CarGurus Inc. (CARG)	\$889.0	(1.9%)	9.6%	80.8%	11.1%	4.16x	3.79x	15.2x	13.4x	
CS Disco Inc. (LAW)	\$143.6	4.2%	4.6%	74.5%	(22.2%)	1.25x	1.20x	NMF	NMF	
Enfusion Inc. (ENFN)	\$195.2	16.6%	17.7%	67.2%	9.5%	4.77x	4.05x	22.7x	17.4x	
EverCommerce Inc. (EVCM)	\$693.2	2.8%	4.3%	66.4%	16.7%	3.56x	3.41x	14.4x	13.1x	
Intapp Inc. (INTA)	\$447.8	18.6%	14.7%	72.3%	(2.7%)	10.17x	8.87x	NMF	NMF	
LegalZoom.com Inc. (LZ)	\$678.8	3.1%	2.1%	64.1%	8.0%	1.75x	1.72x	8.1x	7.7x	
nCino Inc. (NCNO)	\$523.0	13.4%	15.1%	60.2%	5.6%	7.17x	6.23x	NMF	30.6x	
Procore Technologies Inc. (PCOR)	\$1,109.7	20.4%	11.7%	82.4%	(4.9%)	9.09x	8.14x	NMF	NMF	
Q2 Inc. (QTWO)	\$675.5	11.0%	11.4%	50.3%	(1.5%)	8.96x	8.05x	NMF	NMF	
Overall SaaS Group										
	Average:	\$1,981.8	14.4%	13.6%	71.1%	(0.7%)	6.96x	5.98x	20.0x	18.2x
	Median:	\$776.2	14.1%	11.4%	73.7%	1.4%	5.86x	5.34x	19.6x	17.3x

Source: First Analysis, Capital IQ.

Notes: Public comparable company data shown above is as of Dec. 31, 2024.

(1) EBITDA multiples less than 0 and greater than 35 labeled "not meaningful" (NMF). LTM = last 12 months. EBITDA = earnings before interest, taxes, depreciation and amortization.

SaaS M&A: Notable transactions include WorkForce Software, LiveIntent

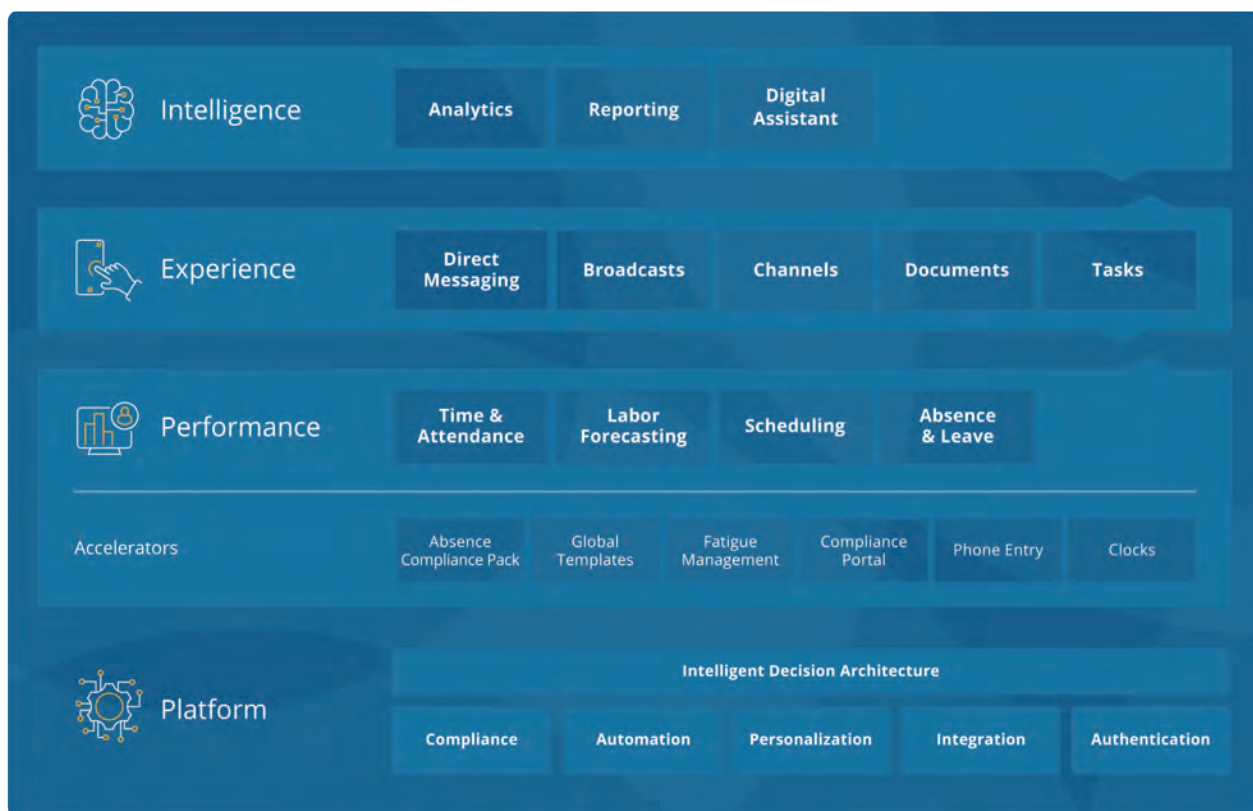
In the table below, we list some of the most notable recent merger and acquisition transactions across our SaaS company groups.

On Oct. 15, ADP (ADP) announced it acquired WorkForce Software in a transaction that valued the company at \$1.2 billion. The acquisition was an example of the trend for human capital management platforms to consolidate other functional areas, like workforce management. WorkForce Software's robust time and atten-

dance, scheduling, forecasting, employee communications, and leave and absence management capabilities, as well as its trusted global support organization, expand ADP's suite of workforce management solutions. WorkForce Software's solutions adapt to its clients' needs and can accommodate unique pay rules, labor regulations and schedules.

On Oct. 8, Zeta (ZETA) announced it had entered into an agreement to acquire LiveIntent, a pioneer in consumer iden-

WorkForce Software: Next generation workforce management



Source: WorkForce Software.

tivity technology used for marketing, for \$250 million plus a potential earn-out of \$25 million, or about 18 times adjusted EBITDA and 3.6 times revenue. Email addresses are at the center of LiveIntent's industry-leading identity graph—a database that stores identifiers such as email, phone numbers, and cookies that correlate with individual consumers. This information helps brands monetize, ac-

quire and retain consumers, even where cookies don't work. Together with LiveIntent's publisher network and channel capabilities, LiveIntent's consumer identity capabilities should enhance Zeta's identity resolution capabilities and its newly released mobile and retail media solutions and help it expand into publisher monetization.

Select recent M&A transactions (sorted by date of announcement)

(\$ in millions)

Date	Target	Target business description	Buyer	Enterprise value (EV)	EV/revenue
12/18/2024	Fend	Hardware cybersecurity solutions that use network segmentation and data diodes to protect critical infrastructure from cyberattacks and ransomware	Opswat	Undisclosed	Undisclosed
12/10/2024	OceanX	Subscription e-commerce platform to support brands and retailers in the direct-to-consumer membership space	Cart.com	Undisclosed	Undisclosed
12/3/2024	Zonar Systems	Internet of Things verified inspection reporting, tracking and electronic logging device ready solutions	GPS Trackit	Undisclosed	Undisclosed
11/21/2024	Dazz	Unified platform that streamlines the remediation process of cybersecurity issues across cloud environments, code, applications, and infrastructure	Wiz	\$450.0	Undisclosed
10/21/2024	SecureWorks (SCWX)	Managed network cybersecurity services software	Sophos	\$859.0	2.4x
10/8/2024	LiveIntent	Consumer identity technology used for marketing	Zeta (ZETA)	\$275.0	3.6x
10/17/2024	Zuora (ZUO)	Provides enterprises with software to support usage-based, subscription-based, and similar revenue models	Silver Lake; GIC	\$1,700.0	3.5x
10/15/2024	WorkForce Software	Cloud-based workforce management solutions	ADP (ADP)	\$1,200.0	Undisclosed

Source: Capital IQ, First Analysis.

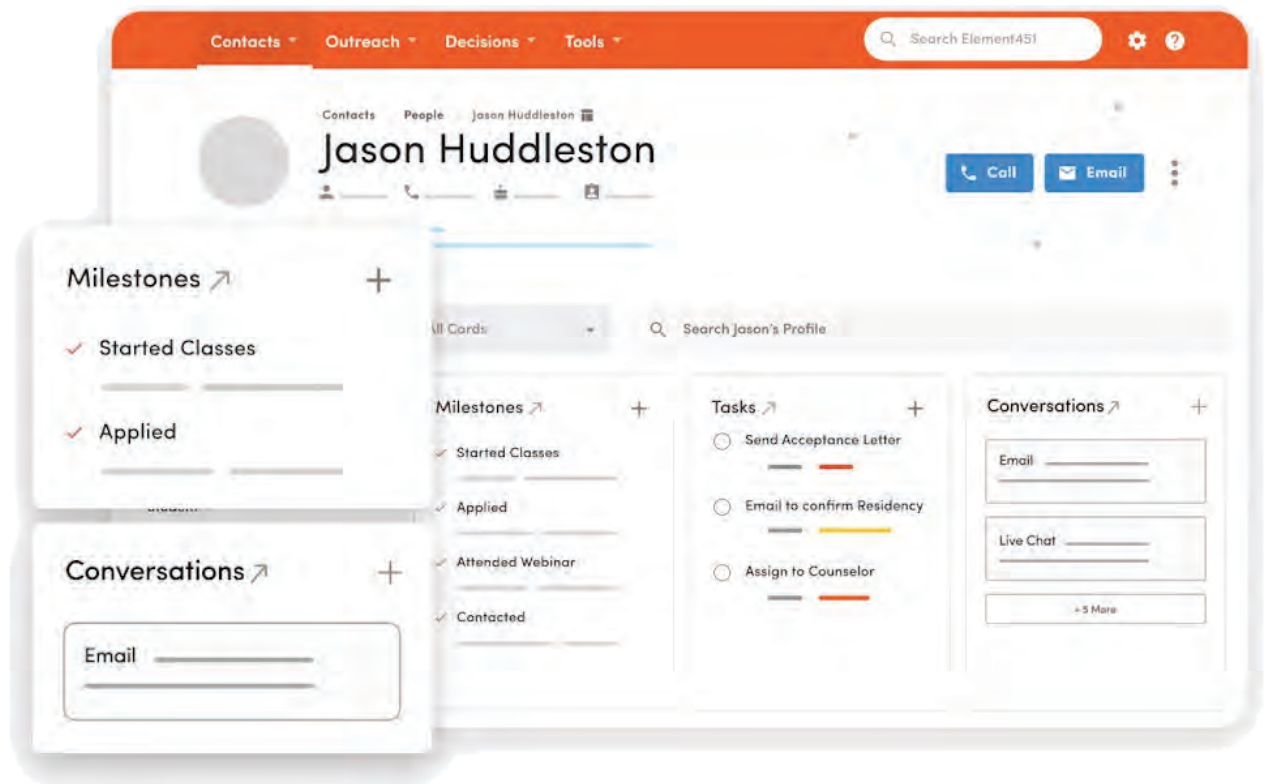
SaaS private placements: Notable transactions include Element451 and HuLoop Automation

In the table below, we list some of the most notable recent private placement transactions across our SaaS company groups.

On Dec. 6, Element451, a contact relationship management and student engagement platform for post-secondary educational institutions, announced it

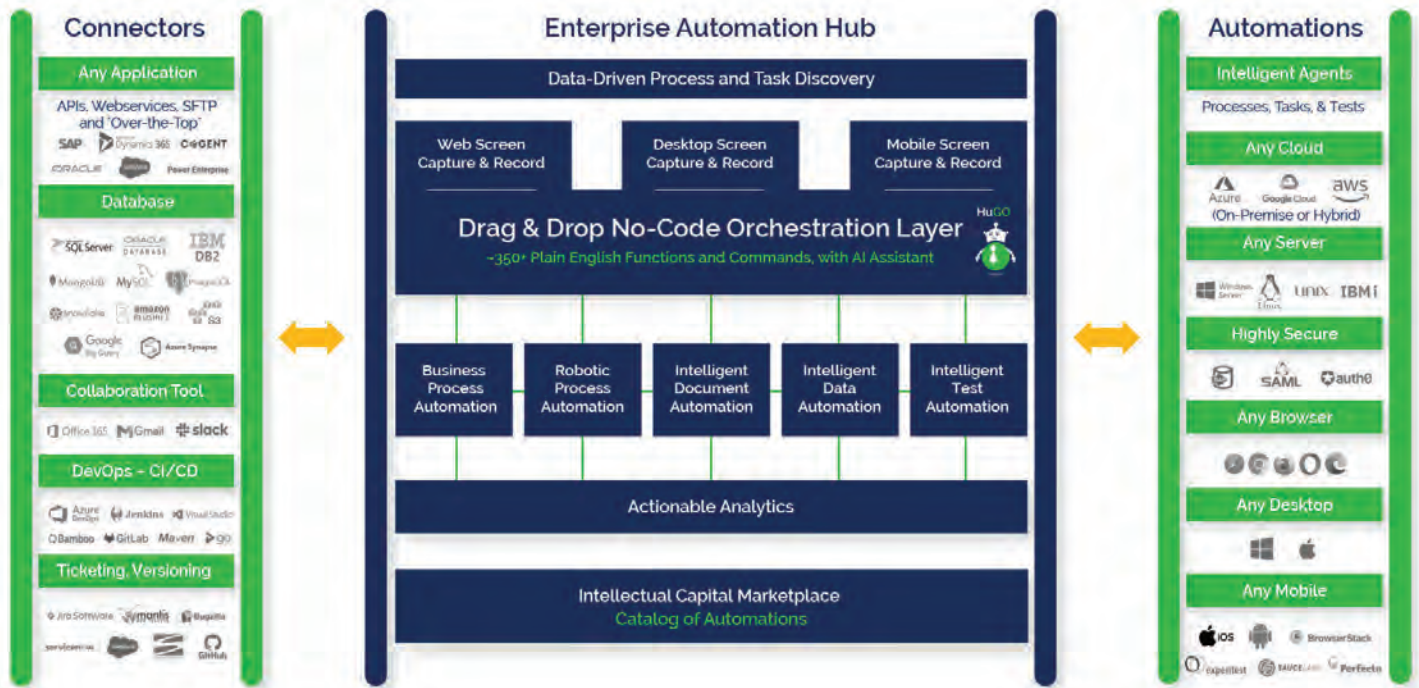
had received a \$175 million strategic investment from growth equity firm PSG. Element451's platform features streamlined, quick-response forms, personalized and direct communication in the digital channels students prefer, and a concise application process that takes only days (or even less). It enables schools to create personalized experiences for each

Element451 optimizes student with AI and automation to create personalized experiences



Source: Element451.

HuLoop: AI-powered, all-in-one, no-code software platform enabling enterprise automation



Source: HuLoop Automation.

student with built-in tools for surveys, event management, appointment scheduling, and password protected microsites to ensure meaningful connections across large populations.

In late December, HuLoop Automation announced a \$6 million Series A funding led by Mighty Capital with significant participation from Moneta Ventures. HuLoop Automation defines its unified automation platform as a single, integrated solution that combines multiple automation technologies — such as robotic pro-

cess automation, workflow orchestration, intelligent document processing, and testing — into a cohesive system. This platform enables organizations to streamline complex business processes, reduce manual effort, and drive efficiency across the enterprise while ensuring human-in-the-loop oversight to balance automation with human judgment. The company has grown rapidly over the past two years and now serves more than 60 customers primarily in the financial services and commerce sectors.

Select recent private placements (sorted by date of announcement)

(\$ in millions)

Date	Company	Business description	Investors	Raise type	Amount raised	Total amount raised
12/23/2024	HuLoop Automation	Intelligent automation platform that generates and manages a digital workforce to automate tasks and processes	Mighty Capital; Moneta Ventures	Series A	\$6.0	\$11.0
12/16/2024	Chargezoom	Integrated customer payments management platform	Kickstart Seed Fund; ADLY; Appletree Capital; Early Light Ventures; Motley Fool Ventures; Okapi Venture Capital; SaaS Venture Capital ; Stout Street Capital	Series A	11.5	Undisclosed
12/6/2024	Element451	Cloud-based admission marketing and enrollment customer relationship management technology for post-secondary educational institutions	PSG Equity	Growth	\$175.0	\$184.9
12/2/2024	Upwind Security	Cloud cybersecurity provider securing cloud infrastructure by leveraging runtime data to identify, mitigate and automate responses to critical security threats	Alta Park Capital; Cerca Partners; Craft Ventures; Cyberstarts; Greylock Partners; Leaders Fund; Penny Jar Capital; TCMI	Series A	\$100.0	\$177.4
11/18/2024	SuperAnnotate AI	No-code computer vision platform	Databricks Ventures; Glynn Capital Management; NVIDIA (NVDA); Play Time Ventures; Socium Ventures	Series B	\$36.0	\$67.9
10/29/2024	Andium	Industrial IoT technology company that develops and manufactures cloud-based computing devices for real time data management	Aramco Ventures; Intrepid Financial Partners; OGCI Climate Investments	Series B	\$21.7	\$45.5
10/28/2024	Armis	Cyber exposure and security company that protects organizations' attack surface and manages cyber risk in real time	Alkeon Capital; Brookfield Growth Partners; CapitalG; General Catalyst; Georgian; Insight Venture; OEP Capital Advisors	Series D	\$200.0	\$737.0
10/24/2024	Spot AI	AI-based camera system to help businesses operate based on visual context	Cheyenne Partners; Deer Management; GSBackers; Milk Street Ventures; Modern Venture; Qualcomm Ventures; Redpoint; Scale Management; StepStone Group	Growth	\$31.0	\$94.6

Source: Capital IQ, First Analysis.

SaaS public comparables

(\$ in millions)

Company	Market cap	Enterprise value	LTM revenue	Revenue growth		LTM gross margin	LTM EBITDA margin	Enterprise value /			
				2023A-2024E	2024E-2025E			Revenue		EBITDA ¹	
								2024E	2025E	2024E	2025E
Alarm.com Holdings (ALRM)	\$3,005.3	\$2,930.8	\$923.8	6.1%	4.6%	65.0%	13.1%	3.13x	3.00x	16.7x	15.4x
Amplitude (AMPL)	\$1,347.1	\$1,031.7	\$292.5	7.8%	7.6%	74.2%	(30.9%)	3.46x	3.22x	NMF	NMF
AppFolio Inc. (APPF)	\$8,860.8	\$8,571.0	\$794.2	27.4%	17.8%	64.5%	19.3%	10.84x	9.20x	NMF	30.9x
Appian Corp. (APPN)	\$2,399.6	\$2,579.2	\$595.7	12.7%	11.3%	75.3%	(10.9%)	4.20x	3.77x	NMF	NMF
Asana Inc. (ASAN)	\$4,636.2	\$4,454.9	\$706.7	10.9%	10.9%	89.4%	(36.4%)	6.16x	5.55x	NMF	NMF
Atlassian Corp. Plc (TEAM)	\$63,384.3	\$62,412.3	\$4,795.0	22.0%	17.3%	81.8%	(1.0%)	13.14x	11.21x	NMF	NMF
AvePoint Inc. (AVPT)	\$3,095.8	\$2,862.6	\$315.9	21.2%	18.3%	74.6%	2.7%	8.69x	7.35x	NMF	NMF
AvidXchange (AVDX)	\$2,127.2	\$1,813.8	\$427.6	15.1%	10.2%	71.5%	6.6%	4.14x	3.75x	22.9x	17.8x
Bentley Systems Inc. (BSY)	\$14,711.2	\$16,098.6	\$1,313.9	10.3%	11.1%	80.8%	26.6%	11.88x	10.69x	34.0x	29.5x
BigCommerce Inc. (BIGC)	\$479.7	\$533.3	\$330.0	7.6%	5.2%	76.7%	(5.5%)	1.60x	1.52x	25.9x	17.2x
Bill.com Holdings Inc. (BILL)	\$8,767.2	\$8,269.5	\$1,343.6	16.2%	11.9%	85.2%	(0.6%)	5.97x	5.34x	31.6x	NMF
BlackLine Inc. (BL)	\$3,796.6	\$3,897.6	\$639.6	10.5%	9.0%	75.3%	9.4%	5.98x	5.48x	24.2x	21.7x
Block Inc. (SQ)	\$52,679.5	\$51,215.1	\$23,861.5	11.3%	11.8%	36.4%	5.3%	2.10x	1.88x	17.1x	13.8x
Box Inc. (BOX)	\$4,541.0	\$5,090.1	\$1,073.5	5.0%	6.4%	78.4%	8.8%	4.67x	4.39x	15.7x	13.7x
Braze (BRZE)	\$4,333.9	\$3,933.2	\$564.0	24.8%	17.0%	68.6%	(23.0%)	6.68x	5.71x	NMF	NMF
C3 AI (AI)	\$4,443.7	\$3,718.9	\$346.5	23.5%	22.5%	59.7%	(87.0%)	10.16x	8.29x	NMF	NMF
CarGurus Inc. (CARG)	\$3,789.5	\$3,731.5	\$889.0	(1.9%)	9.6%	80.8%	11.1%	4.16x	3.79x	15.2x	13.4x
Cerence Inc. (CRNC)	\$336.2	\$501.4	\$331.5	(30.6%)	4.1%	73.7%	16.4%	2.07x	1.99x	NMF	15.9x
Certara Inc. (CERT)	\$1,714.4	\$1,790.0	\$372.8	8.1%	10.3%	59.7%	21.2%	4.67x	4.24x	14.7x	13.2x
Clearwater Analytics Inc. (CWAN)	\$6,291.0	\$6,109.0	\$424.4	21.1%	19.7%	72.2%	9.8%	13.70x	11.45x	NMF	33.7x
Cloudflare Inc. (NET)	\$36,955.1	\$36,582.0	\$1,572.2	28.2%	26.1%	77.5%	(2.8%)	22.01x	17.46x	NMF	NMF
Confluent Inc. (CFLT)	\$9,170.7	\$8,424.6	\$915.6	23.2%	21.4%	73.2%	(38.7%)	8.80x	7.25x	NMF	NMF
Couchbase Inc. (BASE)	\$816.1	\$680.0	\$204.6	15.4%	14.0%	88.3%	(39.0%)	3.27x	2.87x	NMF	NMF
Coursera Inc. (COUR)	\$1,346.4	\$630.7	\$694.7	8.8%	6.6%	53.5%	(11.4%)	0.91x	0.85x	16.7x	11.5x
CrowdStrike Holdings (CRWD)	\$84,277.9	\$80,847.2	\$3,740.4	28.6%	21.5%	75.2%	3.7%	20.57x	16.94x	NMF	NMF
CS Disco Inc. (LAW)	\$298.9	\$180.0	\$143.6	4.2%	4.6%	74.5%	(22.2%)	1.25x	1.20x	NMF	NMF
CyberArk Software (CYBR)	\$16,421.5	\$15,462.3	\$909.5	31.3%	31.9%	81.1%	(3.6%)	15.66x	11.87x	NMF	NMF
Datadog Inc. (DDOG)	\$48,543.0	\$46,313.3	\$2,536.2	25.0%	21.9%	81.2%	4.6%	17.41x	14.28x	NMF	NMF
DocuSign Inc. (DOCU)	\$18,167.3	\$17,355.5	\$2,912.9	7.2%	6.4%	80.2%	8.0%	5.86x	5.51x	17.9x	15.9x
Domo Inc. (DOMO)	\$276.9	\$369.6	\$318.5	(0.8%)	(1.0%)	74.9%	(18.4%)	1.17x	1.18x	NMF	NMF
Doximity Inc. (DOCS)	\$9,967.5	\$9,175.4	\$516.8	14.1%	8.1%	89.9%	40.2%	17.18x	15.89x	32.5x	31.5x
Dropbox Inc. (DBX)	\$9,304.3	\$10,436.6	\$2,539.6	1.7%	0.5%	82.3%	24.1%	4.10x	4.08x	9.8x	9.5x
Dun & Bradstreet Inc.	\$5,501.4	\$8,928.5	\$2,380.2	4.1%	4.8%	63.7%	26.4%	3.71x	3.54x	9.5x	8.9x
Dynatrace Inc. (DT)	\$16,222.6	\$15,298.2	\$1,634.4	19.1%	14.0%	82.2%	12.4%	9.41x	8.26x	32.1x	28.4x

SaaS public comparables

(\$ in millions)

Company	Market cap	Enterprise value	LTM revenue	Revenue growth		LTM gross margin	LTM EBITDA margin	Enterprise value /			
				2023A-2024E	2024E-2025E			Revenue		EBITDA ¹	
								2024E	2025E	2024E	2025E
Elastic N.V. (ESTC)	\$10,267.8	\$9,659.6	\$1,375.7	16.9%	12.7%	74.1%	(6.5%)	6.82x	6.05x	NMF	NMF
Efusion Inc. (ENFN)	\$972.0	\$971.1	\$195.2	16.6%	17.7%	67.2%	9.5%	4.77x	4.05x	22.7x	17.4x
EverCommerce Inc. (EVCM)	\$2,020.2	\$2,472.3	\$693.2	2.8%	4.3%	66.4%	16.7%	3.56x	3.41x	14.4x	13.1x
Expensify Inc. (EXFY)	\$298.0	\$265.4	\$137.4	(8.3%)	6.6%	54.5%	(4.5%)	1.92x	1.80x	7.2x	6.8x
Fastly Inc. (FSLY)	\$1,324.4	\$1,430.0	\$540.9	7.0%	6.3%	54.8%	(18.9%)	2.64x	2.48x	NMF	28.3x
Five9 Inc. (FIVN)	\$3,056.5	\$3,326.5	\$1,002.3	13.2%	11.0%	53.6%	(0.4%)	3.23x	2.91x	17.6x	14.9x
Freshworks Inc. (FRSH)	\$4,897.2	\$3,873.3	\$686.0	19.9%	13.9%	83.8%	(21.0%)	5.41x	4.75x	NMF	25.9x
GitLab Inc. (GTLB)	\$9,145.6	\$8,274.4	\$711.6	30.0%	24.9%	89.0%	(20.8%)	10.97x	8.78x	NMF	NMF
HubSpot Inc. (HUBS)	\$35,969.8	\$34,789.8	\$2,506.3	19.7%	15.8%	84.7%	(2.3%)	13.39x	11.57x	NMF	NMF
Intapp Inc. (INTA)	\$4,959.6	\$4,730.0	\$447.8	18.6%	14.7%	72.3%	(2.7%)	10.17x	8.87x	NMF	NMF
JFrog Ltd. (FROG)	\$3,281.1	\$2,829.1	\$409.7	21.9%	17.2%	78.0%	(14.2%)	6.63x	5.66x	NMF	NMF
Klaviyo (KLVY)	\$11,119.7	\$10,335.4	\$868.9	32.4%	24.9%	77.6%	(8.4%)	11.18x	8.95x	NMF	NMF
LegalZoom.com Inc. (LZ)	\$1,297.9	\$1,193.5	\$678.8	3.1%	2.1%	64.1%	8.0%	1.75x	1.72x	8.1x	7.7x
LiveRamp Inc. (RAMP)	\$1,982.1	\$1,672.6	\$707.2	13.7%	10.4%	72.3%	3.6%	2.31x	2.09x	13.4x	10.4x
Marqeta Inc. (MQ)	\$1,904.1	\$806.7	\$490.0	(25.5%)	16.6%	68.7%	(5.9%)	1.60x	1.37x	33.2x	17.3x
monday.com Ltd. (MNDY)	\$11,738.8	\$10,442.0	\$906.6	32.3%	26.8%	89.5%	(2.6%)	10.81x	8.53x	NMF	NMF
MongoDB Inc. (MDB)	\$17,337.5	\$16,237.7	\$1,916.0	17.6%	17.2%	73.9%	(13.0%)	8.20x	7.00x	NMF	NMF
nCino Inc. (NCNO)	\$3,888.4	\$3,871.6	\$523.0	13.4%	15.1%	60.2%	5.6%	7.17x	6.23x	NMF	30.6x
Okta Inc. (OKTA)	\$13,502.8	\$12,214.8	\$2,533.0	14.8%	7.9%	76.1%	(2.1%)	4.70x	4.36x	20.8x	19.5x
OneStream (OS)	\$4,770.7	\$4,423.2	\$459.5	29.4%	20.4%	63.9%	(58.5%)	9.12x	7.58x	NMF	NMF
Paycom Software Inc. (PAYC)	\$11,455.0	\$11,210.0	\$1,823.9	10.5%	10.4%	85.6%	36.6%	5.99x	5.43x	15.0x	13.6x
Paycor Inc. (PYCR)	\$3,336.3	\$3,251.3	\$678.8	15.2%	10.0%	66.0%	8.8%	4.67x	4.25x	13.6x	12.5x
Paylocity Holding Corp. (PCTY)	\$11,119.8	\$10,719.6	\$1,447.9	15.2%	8.1%	68.7%	21.4%	7.20x	6.67x	20.0x	19.4x
Paymentus Inc. (PAY)	\$4,071.8	\$3,893.5	\$778.7	36.3%	22.6%	28.5%	6.3%	4.65x	3.79x	NMF	34.2x
Pegasystems Inc. (PEGA)	\$7,992.3	\$7,872.2	\$1,480.6	3.1%	7.1%	74.4%	12.8%	5.33x	4.98x	24.3x	20.9x
PowerFleet (PWFL)	\$880.4	\$1,010.9	\$221.1	113.6%	48.2%	51.0%	1.4%	3.54x	2.39x	23.0x	9.3x
Procore Technologies Inc. (PCOR)	\$11,139.4	\$10,404.1	\$1,109.7	20.4%	11.7%	82.4%	(4.9%)	9.09x	8.14x	NMF	NMF
PROS Inc. (PRO)	\$1,038.8	\$1,197.5	\$322.9	8.7%	9.4%	64.5%	(6.0%)	3.63x	3.32x	NMF	33.1x
Q2 Inc. (QTWO)	\$6,079.4	\$6,213.6	\$675.5	11.0%	11.4%	50.3%	(1.5%)	8.96x	8.05x	NMF	NMF
Qualys Inc. (QLYS)	\$5,130.7	\$4,605.3	\$593.0	9.1%	7.7%	81.5%	33.6%	7.62x	7.07x	16.9x	16.3x
Research Solutions (RSSS)	\$3,150.7	\$4,724.8	\$2,357.2	8.9%	7.4%	70.4%	8.1%	1.97x	1.83x	8.0x	7.1x
RingCentral Inc. (RNG)	\$126.1	\$119.2	\$46.6	18.3%	6.6%	45.9%	4.4%	2.48x	2.32x	25.5x	19.5x
salesforce.com (CRM)	\$319,953.8	\$319,374.8	\$37,189.0	8.9%	9.1%	76.9%	25.7%	8.42x	7.72x	22.6x	20.5x
Samsara Inc. (IOT)	\$24,518.8	\$23,691.7	\$1,179.2	32.1%	23.3%	75.7%	(17.5%)	19.13x	15.51x	NMF	NMF

SaaS public comparables

(\$ in millions)

Company	Market cap	Enterprise value	LTM revenue	Revenue growth		LTM gross margin	LTM EBITDA margin	Enterprise value /			
				2023A-2024E	2024E-2025E			Revenue		EBITDA ¹	
								2024E	2025E	2024E	2025E
SecureWorks Corp. (SCWX)	\$752.0	\$703.8	\$339.7	(9.8%)	4.2%	66.8%	(8.1%)	2.13x	2.05x	19.1x	20.1x
SentinelOne Inc. (S)	\$7,133.8	\$6,493.6	\$770.1	31.7%	25.8%	73.6%	(37.8%)	7.94x	6.31x	NMF	NMF
ServiceNow Inc. (NOW)	\$218,720.8	\$211,841.8	\$10,984.0	22.4%	20.6%	79.2%	17.6%	19.29x	15.99x	NMF	NMF
Shopify Inc. (SHOP)	\$137,388.9	\$133,634.9	\$8,212.0	24.6%	22.5%	50.9%	13.6%	15.20x	12.40x	NMF	NMF
Simulations Plus Inc. (SLP)	\$560.2	\$540.9	\$74.4	19.7%	24.8%	58.5%	15.7%	7.28x	5.83x	25.5x	17.5x
Snowflake Inc. (SNOW)	\$50,970.7	\$48,521.6	\$3,414.3	27.8%	23.3%	67.3%	(35.5%)	13.53x	10.97x	NMF	NMF
Sprinklr Inc. (CXM)	\$2,149.5	\$1,724.0	\$788.1	8.5%	3.4%	73.3%	4.7%	2.17x	2.10x	18.2x	13.9x
SPS Commerce Inc. (SPSC)	\$6,912.1	\$6,719.5	\$611.8	18.5%	16.3%	66.6%	20.7%	10.56x	9.08x	NMF	30.6x
TechTarget Inc. (TTGT)	\$1,416.2	\$1,949.6	\$260.8	(9.0%)	66.7%	60.3%	8.0%	8.50x	5.10x	30.4x	20.1x
Teladoc Health Inc. (TDOC)	\$1,565.0	\$1,910.0	\$2,589.6	(1.3%)	(1.1%)	70.8%	2.6%	0.74x	0.75x	6.0x	5.9x
Tenable Holdings Inc. (TENB)	\$4,730.9	\$4,592.2	\$877.6	12.2%	9.7%	77.5%	1.7%	5.13x	4.67x	24.4x	20.2x
Twilio Inc. (TWLO)	\$16,577.7	\$15,005.4	\$4,339.2	6.5%	7.7%	50.9%	2.7%	3.39x	3.15x	17.8x	16.0x
Udemy Inc. (UDMY)	\$1,200.8	\$855.8	\$776.2	7.2%	3.4%	61.1%	(11.0%)	1.10x	1.06x	24.3x	12.2x
UiPath Inc. (PATH)	\$6,985.4	\$5,463.6	\$1,411.3	9.4%	10.7%	83.4%	(10.5%)	3.82x	3.45x	23.2x	19.7x
Unity Software Inc. (U)	\$9,051.8	\$10,246.9	\$1,965.4	(18.3%)	1.5%	69.6%	(3.9%)	5.74x	5.65x	27.8x	26.1x
Veeva Systems Inc. (VEEV)	\$34,134.2	\$29,142.9	\$2,656.4	15.3%	12.1%	73.9%	25.7%	10.70x	9.54x	25.5x	22.8x
Weave Communications (WEAV)	\$1,158.5	\$1,117.0	\$195.8	19.1%	16.1%	70.7%	(11.2%)	5.50x	4.74x	NMF	NMF
Wix.com Ltd. (WIX)	\$12,009.0	\$12,013.4	\$1,704.0	12.9%	14.4%	67.9%	5.8%	6.81x	5.95x	32.2x	24.3x
Workday Inc. (WDAY)	\$68,636.0	\$64,842.0	\$8,157.0	16.0%	13.2%	75.6%	8.9%	7.70x	6.81x	26.5x	22.1x
Workiva Inc. (WK)	\$6,065.3	\$6,079.5	\$705.4	16.5%	16.1%	76.7%	(5.1%)	8.28x	7.13x	NMF	NMF
Yext Inc. (YEXT)	\$811.7	\$809.9	\$409.0	4.0%	9.4%	77.6%	(2.5%)	1.93x	1.76x	12.0x	7.7x
Zeta Global Corp. (ZETA)	\$4,271.7	\$4,059.2	\$901.4	35.3%	22.8%	60.3%	(8.2%)	4.12x	3.35x	21.5x	16.8x
ZoomInfo Technologies (ZI)	\$3,608.8	\$4,820.0	\$1,221.6	(3.0%)	(0.9%)	88.3%	20.0%	4.01x	4.05x	10.7x	10.2x
Zscaler Inc. (ZS)	\$27,681.9	\$26,212.7	\$2,299.0	27.1%	20.0%	78.0%	(3.0%)	10.88x	9.07x	NMF	NMF
Zuora Inc. (ZUO)	\$1,524.9	\$1,373.4	\$452.8	6.4%	7.0%	69.5%	(3.1%)	2.99x	2.79x	12.4x	11.6x
Average	\$17,545.8	\$17,043.1	\$1,991.1	14.4%	13.6%	71.1%	(0.7%)	6.96x	5.98x	20.0x	18.2x
Median	\$4,770.7	\$4,724.8	\$778.7	14.1%	11.4%	73.7%	1.4%	5.86x	5.34x	19.6x	17.3x

Source: Capital IQ, First Analysis.

Public comparable company data shown above is as of Dec. 31, 2024.

(1) EBITDA multiples less than 0 and greater than 35 labeled "not meaningful" (NMF). LTM = last 12 months. EBITDA = earnings before interest, taxes, depreciation and amortization.

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